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P.T.O.

REPORT
ON THE
Operations of the Currency Department,
THE
Movement of Funds
AND ON THE
Resource Operations of the Government
of India
for the year 1920-21

BY
A. C. McWatters, C.I.E., I.C.S.,
Controller of the Currency



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To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE DEPARTMENT.

Sir,

I have the honour to submit my report on the operations of the Currency Department, on the movement of funds, and on the resource operations of the Government of India for the year ending the 31st March 1921.

2. Certain changes in outward form, for instance, the adoption of octavo Form of the report and the addition of a subject index, have been introduced in the present year's report. At the same time it has been decided to discontinue the publication of separate provincial Currency reports. It is obvious that the more important Currency questions in their relation to Indian trade cannot be adequately discussed as provincial matters; moreover all the essential provincial statistics are incorporated in the central report of the Controller of the Currency, and the repetition of them in provincial reports involve waste of time and unnecessary expense. Where provincial reports have been of special interest, it has been due to the provincial officers having devoted particular attention to such matters as the local use of gold as currency or the absorption of silver or the methods of financing particular crops. It is intended to include in the central report any such local details as may be of special interest to the public.

3. Before turning to the main subject of this report, I wish to draw Administrative changes in the Currency Department. attention to certain administrative changes which have been made in the Currency Department itself. During the present year a further step was taken in the organisation of an independent Currency Department by the appointment of a Deputy Controller of the Currency at Calcutta. Prior to the year 1913, the control of currency and resource arrangements and of the public debt and other kindred matters formed part of the duties of the Comptroller and Auditor General. In that year a separate Controller of the Currency was appointed to relieve the Comptroller and Auditor General of these duties, though the corresponding work in the Provinces continued to be performed by the Accountants General working under the orders of the Controller of the Currency. In December 1919 the first step in the direction of a provincial organisation was taken by the appointment of a Deputy Controller of the Currency at Bombay whose duties comprised the supervision of the work of the two currency circles of Bombay and Karachi and the resource operations and securities work of the Bombay Presidency and the Central Provinces. The Deputy Controller of the Currency at Calcutta, who was appointed on the 1st February 1921, exercises general supervision over the Calcutta Currency circle and has relieved the local Accountants General of the resource and securities work of Bengal, Bihar and Orissa, and Assam. It is intended to develop the organisation by the appointment of a Deputy Controller of the Currency for Northern India, who will be in charge of the Currency circles of Lahore and Cawnpore and will undertake the resource

NOTE.—Throughout this report and the statements appended rupees are converted into sterling and sterling into rupees at Rs. 10 = £1 except where otherwise stated.

and securities work of the United Provinces, the Punjab and the North-West Frontier Province. The remaining Currency circles of Madras and Rangoon remain for the present under the control of the local Accountants General.

General features of the year.

4. The year 1919-20 was a period of high prices and of feverish activity in trade. In India, the monsoon of 1919 had been unusually good and although the high level of prices necessitated the continuance of control over the export of foodstuffs, the year's trade established a record for the value of exports and imports alike and also a record figure for the excess of the former over the latter. Conditions in the year 1920-21 were very different. The monsoon of 1920 was unfortunately below the average, particularly in North-West India and in parts of the Deccan. The average defect in the rainfall over the plains of India was 12 per cent. and scarcity developed in portions of the Bombay Presidency and of the Central Provinces and in Hyderabad. The trade boom which succeeded the Armistice proved to be short-lived. It was realised that the reconstruction of the shattered finances of the greater part of Europe and the restoration of her purchasing power was to be a far longer and more difficult process than had been generally supposed. The International Economic Conference, which was held at Brussels in October, brought into clear prominence the necessity of peace and of economic reform before a revival of trade activity would be possible and disposed of any lingering hopes which may have survived of immediate or magical remedies. The final settlement of the terms of the German reparations and of peace with Turkey was unduly delayed, while Russia under the Bolshevik régime continued to drift and remained isolated from the rest of Europe. Throughout the world the year has been a period of disillusionment, of falling prices, of restriction of credit and of increasing unemployment. In India, the consequences are seen in the stagnation of her export trade through the falling-off in the purchasing power of her principal customers, and in the crippling of many of the new companies which were started in the brief period of prosperity. At the same time her difficulties have been intensified by the phenomenal fall in the value of silver, by the flood of high priced imports which were stimulated by the earlier high level of exchange, by the consequent swing of the balance of trade heavily against her, and by the failure of the Government, in the face of these adverse factors, to support exchange at the level which had been recommended by the Committee on Indian Exchange and Currency. The collapse of exchange within twelve months from the level of 2s. 4d. prevailing in April 1920 to below 1s. 3d. was critical for importers, many of whom had ordered goods when exchange was high without fixing their exchange and who were unable or unwilling to settle at the low rate prevailing when the goods arrived. At the close of the year the Indian ports remained congested with imported piecegoods, motor cars and other articles of which delivery had not been taken. In further contrast to the preceding year there has been an almost continuous return of rupees from circulation, a symptom of the general stagnation of trade.

It is not easy in a year of this character to disentangle and to connect in their proper relations the various elements of the story. In the first section of my report I shall deal with India's Foreign Trade; in the second with the price of silver and exchange. In the third I shall trace the various steps by which the Government endeavoured to give effect to the recommendations of the Committee on Indian Exchange and Currency. In the fourth section I shall detail the financial transactions of the Government,

leading to a review in the fifth section of money conditions in India, of the Government's relations with the Presidency Banks and the inauguration of the Imperial Bank of India. The demand for the various forms of currency is treated in the sixth section. Finally, in the last two sections I shall deal with the note circulation and miscellaneous matters connected with currency notes.

I.—India's Foreign Trade.

5. The statement below gives in the form adopted in previous reports a summary of the statistics of India's Foreign Trade, together with certain other transactions affecting the balance of trade. Certain adjustments which have been made in the figures for imports of silver are explained in para. 9 and are shown in the summary in italics.

(In lakhs of rupees.)

Year.	Gross exports of private merchandise.	Gross imports of private merchandise.	Net exports of private merchandise.	IMPORTS OF FUNDS AND TREASURY ON PRIVATE ACCOUNT.						Balance Net export transactions + Net import transactions.
				Council Bills. (Payments in India).	Gold—Sovereigns. (Net.)	Gold—Lullion. (Net.)	Silver—Bullion and coin. (Net.)	Government Securities. (Net.)	TOTAL £ to R.	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1910-11 . . .	2,09,88	1,20,35	80,53	30,43	12,24	11,74	8,57	2,43	74,41	+ 0,12
1911-12 . . .	2,27,84	1,38,57	89,27	40,17	27,34	10,42	3,29	1,06	84,28	+ 4,00
1912-13 . . .	2,46,09	1,61,00	85,09	38,83	26,43	11,15	6,57	53	83,51	+ 1,58
1913-14 . . .	2,48,89	1,83,75	65,63	46,60	11,34	11,08	6,24	1,12	77,28	-11,65
1914-15 . . .	1,81,50	1,37,83	43,66	(a) -2,27	1,65	6,80	10,01	35	16,54	+27,12
AVERAGE FOR 5 YEARS.	2,22,86	1,50,02	72,84	32,55	15,80	10,42	7,33	1,10	67,20	+ 5,64
1915-16 . . .	1,97,38	1,81,00	65,39	(a) 23,71	(b) 32	(b) 4,58	3,58	90	35,09	+30,30
1916-17 . . .	2,46,15	1,49,02	95,53	47,07	1,77	(b) 2,43	(b) -2,16	52	49,63	+48,90
1917-18 . . .	2,42,56	1,50,42	92,14	50,72	6,42	(b) 15,04	(b) 1,46	83	74,47	+17,67
1918-19 . . .	2,53,85	1,69,03	81,82	(a) 23,83	..	(b) 2	(b) 6	-70	23,21	+61,61
1919-20 . . .	3,26,79	(b) 2,06,30	1,21,40	(a) 18,23	31	(b) 10,66	(b) -15	1,34	30,39	+91,01
AVERAGE FOR 5 YEARS.	2,53,15	1,61,29	91,88	32,71	1,76	6,54	96	58	42,55	+49,31
1920-21 . . .	2,56,38	3,35,61	-79,15	(a) -29,55	2,26	-11,14	6,32	56	-30,55	-18,60
							7,42			-49,70

	1914-15	1915-16	1918-19	1919-20	1920-21.
(a) Council bills and transfers	..	..	..	..	..
Sterling drafts on London	10,79	31,05	30,81*	34,55	..
Telegraphic transfers issued by the Bank of Montreal, New York.	13,06	7,34	7,08	16,58	28,55
				2,26	..
	-2,27	23,71	23,93	18,23	-28,55

* Includes 501 paid by the issue to the Exchange Banks of 12 months' Indian Treasury Bills.

(b) Figures adjusted as explained in the Currency Report for the year.

The above summary reveals at a glance the unusual features of India's foreign trade during the year ending the 31st March 1921. The value of

private merchandise imported into India during this period was more than double the average value of imports during the preceding 5 years and exceeded by nearly two-thirds the record imports of the year 1919-20; on the other hand the value of private merchandise exported was less by 22 per cent. than in 1919-20 and was only just in excess of the five years' average. The net result was an excess of private imports over exports of 79 crores of rupees. In every one of the ten preceding years there had been a large net balance of exports over imports, the average net balance of exports for the preceding five years being no less than 92 crores. After allowance is made for the large sales of Reverse Councils and for the private imports and exports of treasure and of Government securities, the net balance of trade against India in 1920-21 was over 49 crores of rupees, as against an average balance of the same amount in India's favour during the preceding 5 years.

Exports.

6. Exports of Indian merchandise were valued at Rs. 238½ crores and of foreign merchandise at 18 crores. The value of exports of grain, pulse and flour (25,64 lakhs) was in excess of the amount exported in the preceding year (15,15 lakhs) on account of the removal of various restrictions which had been in force in that year, but was considerably below the amount (40,07 lakhs) exported in 1918-19. There was a small improvement also in the exports of chemicals, drugs and medicines (3,79 lakhs) and of gums, resins and lac (7,68 lakhs). In all other important heads there was a falling off as compared with the previous year. Tanned hides and skins (3,30 lakhs) were less by 74 per cent., raw hides and skins (5,25 lakhs) by 78 per cent., tea (12,16 lakhs) by 41 per cent., oil seeds (16,83 lakhs) by 36 per cent., textile materials (62,01 lakhs) by 31 per cent. and yarns and textile fabrics (72,18 lakhs) by 8 per cent. As will be shown later, this falling off was progressive. The adverse exchanges and the intensification of economic and political troubles made trade with the continent of Europe more and more difficult, while in the United States of America, the deliberate action taken by the Federal Reserve Banks to check speculative trading and to lead the way to a lower level of prices, operated to reduce American purchases of India's products. The latter half of the year—not only in America, but in England also—has been marked by a rapid fall in wholesale prices and by a slowing down of manufacturers' purchases.

Imports.

7. Imports into India were greatly stimulated by the high rate of sterling exchange prevailing at the beginning of the year, and in spite of the subsequent fall in exchange Indian markets continued up to the end of the year to be flooded with high priced foreign goods ordered during the earlier period. The total value of imports was Rs. 335½ crores, but this includes railway plant and rolling stock valued at 14,13 lakhs, a large portion of which was not paid for by private remittances and should be excluded in a calculation of the balance of trade. Almost every one of the principal lines of imports shows a remarkable increase even over the high figures of the preceding year. Yarns and textile fabrics (118,32 lakhs) showed an increase of 71 per cent.; metals, iron and steel, and manufactures thereof (31,24 lakhs), an increase of 92 per cent.; machinery (24,09 lakhs) 151 per cent.; cutlery and hardware (16,16 lakhs) 126 per cent.; railway plant and rolling stock (14,13 lakhs) 208 per cent.; carriages and carts, including motor cars (14,08 lakhs) 210 per cent.; similar increases were shown in practically all the minor heads, such as paper and stationery, dyes and colours, chemicals, apparel, glassware and liquors. Almost the only notable exception was sugar, of which the imports (18,50 lakhs) declined by 19 per cent.

8. The monthly figures of private exports and imports of merchandise, which are detailed below, show that the balance of trade first began to move against India in June and that the adverse balance was greatest during the period from October to January :—

(In crores of rupees.)

	Imports.	Exports.	Excess of exports over imports + of imports over exports—
April 1920	22	28	+ 6
May 1920	24	28	+ 4
June 1920	26	23	— 3
July 1920	28	21	— 7
August 1920	31	20	— 11
September 1920	29	21	— 8
October 1920	32	21	— 11
November 1920	32	19	— 13
December 1920	32	20	— 12
January 1921	31	19	— 12
February 1921	25	18	— 7
March 1921	24	18	— 6
TOTAL	336	256	— 80

9. Special interest attaches in the present year to the figures for imports and exports of gold and silver. Imports and exports of treasure.

There was a net private export of 8,88 lakhs of gold bullion and coin, which has been shown above in the Balance of Trade Summary. The Government of India, however, continued during the earlier part of the year to import gold, the net imports on behalf of Government being 11,38 lakhs. In the statements which follow, details are given of the imports into and exports from British India of gold coin and bullion in each year from 1900-01 and in each month of the present year. It will be seen that there were large imports of gold during the first half of the present year and large exports from October onward. The total value of the gold imported, on private and Government account, during 1920-21 was Rs. 23½ crores. This is less than half the amount imported in the preceding year and has been exceeded on seven occasions since 1900. On the other hand, the exports of gold, which amounted to Rs. 21½ crores, were far in excess of any previous year. In view of the charge commonly made that India is a "sink of the precious metals," her ability to reexport gold is not without significance.

Similar statements are given for imports and exports of silver. During the present year imports of silver were large from April to June; from July to November exports considerably exceeded imports, while from December onwards imports were increasingly in excess of exports, reaching the high figure of 3 crores in March 1921. The imports of silver on private account amounted to 10,73 lakhs, and exports to 4,41 lakhs. Imports and exports by Government were 29 and 30 lakhs respectively. The following items, which are included in the figure of private imports, do not affect the balance of trade, *viz.*, 3 lakhs of silver coin imported from Ceylon on account of the Ceylon Government; 10 lakhs of silver coin similarly exported to Ceylon;

86 lakhs of Straits dollars and 17 lakhs of silver coin exported to the Straits Settlements on account of the Straits Government. Adjustments for these amounts have been made in the Summary of the Balance of Trade.

Imports and exports of gold and silver coin and bullion during the year 1920-21.

1920-21.		IMPORTS OF GOLD.			EXPORTS OF GOLD.		
		Bullion.	Sovereigns and other British gold coin.	TOTAL.	Bullion.	Sovereigns and other British gold coin.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
April 1920 . . .	3,84,58,150	24,49,070	4,09,08,129	...	650	650	
May .. .	1,06,68,836	8,03,227	2,04,72,062	15,00,000	...	15,00,000	
June .. .	2,49,30,387	7,058	2,49,46,445	...	70,625	70,625	
July .. .	2,39,13,709	38,03,427	2,77,17,136	6,41,750	70,000	7,11,750	
August .. .	2,05,20,582	1,19,43,542	3,24,64,124	8,17,024	...	8,17,024	
September .. .	2,09,04,860	44,90,001	2,53,94,861	2,38,272	2,17,500	4,55,772	
October .. .	1,15,53,714	62,87,897	1,78,41,611	1,07,14,574	6,67,927	1,13,82,501	
November .. .	1,10,23,677	22,77,104	1,42,00,781	2,03,92,588	32,97,200	2,36,89,878	
December .. .	50,78,741	30,70,515	81,49,256	3,30,66,698	51,74,473	3,82,41,171	
January 1921 . . .	86,58,790	23,46,030	1,10,04,829	5,24,14,392	57,27,376	5,81,41,768	
February .. .	47,28,550	12,97,499	60,26,058	2,47,37,656	2,62,347	2,50,00,003	
March .. .	50,72,627	15,40,215	66,12,842	5,24,40,805	22,03,710	5,46,44,575	
TOTAL . . .	19,54,21,649	4,03,16,485	23,57,38,134	19,69,63,819	1,76,91,004	21,46,55,723	
		IMPORTS OF SILVER.			EXPORTS OF SILVER.		
		26,00,324			Nil		
		1,25,35,389			Nil		
April 1920 . . .	Details are not available.	1,43,86,747			40,000		
May .. .		22,80,590			54,43,395		
June .. .		52,53,328			13,84,206		
July .. .		44,21,122			53,32,768		
August .. .		16,93,601			96,03,692		
September .. .		48,32,228			1,40,57,642		
October .. .		56,77,804			27,42,121		
November .. .		1,11,15,695			20,39,083		
December .. .		1,11,25,233			42,63,759		
January 1921 . . .		3,10,74,044			12,55,261		
February .. .							
March .. .							
TOTAL . . .		11,01,56,805			4,70,56,917		

Total value of imports and exports of gold, coin and bullion in each official year from 1900-01 to 1920-21.

Year.	Imports of gold.			Exports of gold.		
	Bullion.	Sovereigns and British Coins.	Total.	Bullion.	Sovereigns and British Coins.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1900-1901 . . .	5,16,34,476	6,73,45,721	11,89,80,197	10,06,02,139	90,56,707	11,06,58,846
1901-1902 . . .	3,03,15,375	5,27,59,971	8,30,75,346	3,72,71,700	2,64,24,240	6,36,95,940
1902-1903 . . .	4,47,36,163	8,71,87,514	13,19,23,677	3,28,90,486	1,14,87,530	4,43,78,018
1903-1904 . . .	7,16,35,211	12,98,43,483	20,14,78,694	3,67,95,858	6,53,66,239	10,21,62,097
1904-1905 . . .	8,77,70,365	13,03,40,416	21,81,10,781	3,52,95,929	8,57,64,993	12,10,60,922
1905-1906 . . .	8,76,72,452	6,99,17,270	14,75,89,722	3,63,17,742	10,65,92,094	14,29,09,836
1906-1907 . . .	10,49,20,065	8,04,13,754	18,53,33,819	3,06,23,179	61,50,245	3,67,73,424
1907-1908 . . .	11,08,38,907	9,66,87,500	20,75,26,407	3,36,70,880	1,78,247	3,38,49,127
1908-1909 . . .	6,78,55,075	1,61,87,235	8,40,42,310	3,36,74,937	68,12,716	4,04,87,653
1909-1910 . . .	11,16,95,761	13,86,14,457	25,03,10,218	3,30,98,212	4,18,898	3,35,17,110
1910-1911 . . .	15,08,20,375	12,81,04,770	27,89,25,145	3,34,67,890	56,70,720	3,91,38,610
1911-1912 . . .	13,98,02,070	27,51,33,990	41,49,36,060	3,56,30,100	17,08,200	3,73,38,300
1912-1913 . . .	14,59,79,775	20,60,28,075	41,29,07,850	3,45,06,225	3,83,89,500	7,28,95,725
1913-1914 . . .	16,47,44,470	12,75,19,605	28,22,64,075	3,40,00,305	1,41,25,770	4,81,26,075
1914-1915 . . .	8,35,27,095	2,35,10,535	10,70,38,230	1,54,41,405	1,51,22,070	3,05,63,475
1915-1916 . . .	4,59,88,965	68,27,850	5,28,16,815	3,05,69,130	3,33,38,880	6,39,08,010
1916-1917 . . .	11,53,80,885	1,79,97,810	13,33,78,695	3,21,330	7,03,875	10,25,205
1917-1918 . . .	17,25,98,069	11,83,51,231	29,09,49,300	3,73,77,165	17,86,230	3,91,63,395
1918-1919 . . .	2,04,423	2,25,58,737	2,27,63,160	7,83,99,840	...	7,83,99,840
1919-1920 . . .	41,31,53,834	6,93,61,737	48,25,15,571	9,03,13,771	2,98,99,440	12,02,13,211
1920-1921 . . .	19,54,21,640	4,03,16,485	23,57,38,124	19,69,63,819	1,76,91,904	21,46,55,723

NOTE.—In all years prior to 1920-21 imports and exports of sovereigns whether on private or Government account and gold bullion imported or exported on Government account have been valued at the rate of Rs. 15 per £1 or 753544 grains of fine gold per rupee, while private imports and exports of bullion have been entered at the market rate.

Total value of imports and exports of silver coin and bullion in each official year from 1900-1901—1920-1921.

	Imports of Silver.			Exports of Silver.		
	Government of India Rs.	Other coin and Bullion.	TOTAL.	Government of India Rs.	Other coin and Bullion.	TOTAL.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1900-1901 . . .	52,43,615	12,15,43,800	12,67,87,421	1,40,20,285	1,70,94,815	3,17,15,100
1901-1902 . . .	87,98,295	11,41,39,711	12,29,38,006	1,23,05,578	3,87,04,085	5,10,09,663
1902-1903 . . .	50,61,362	11,08,00,512	12,18,61,874	1,15,75,228	4,07,23,124	5,22,98,352
1903-1904 . . .	83,00,392	17,54,72,986	18,37,82,378	1,42,02,080	8,40,74,625	4,82,76,714
1904-1905 . . .	62,18,732	17,07,43,237	17,69,61,969	1,22,83,145	3,09,44,100	4,32,27,245
1905-1906 . . .	32,58,093	16,57,62,318	16,90,20,411	1,10,81,420	7,08,798	1,17,90,218
1906-1907 . . .	72,14,271	25,32,50,024	26,04,64,295	1,99,02,165	4,16,037	2,04,09,102
1907-1908 . . .	1,20,83,930	20,32,34,040	21,53,18,970	1,62,35,680	41,00,194	2,06,35,874
1908-1909 . . .	88,51,003	13,45,48,274	11,33,99,367	1,17,50,767	1,00,64,015	2,27,14,812
1909-1910 . . .	44,45,256	12,04,79,260	12,49,24,516	1,83,85,706	1,20,89,587	3,04,75,293
1910-1911 . . .	42,43,685	11,41,89,840	11,84,33,525	2,14,90,965	1,06,39,650	3,21,30,615
1911-1912 . . .	39,12,885	11,58,59,535	11,97,72,420	1,52,62,800	5,11,37,865	6,64,00,755
1912-1913 . . .	66,42,675	19,87,66,995	20,54,09,670	1,86,56,040	1,47,04,980	3,34,21,020
1913-1914 . . .	85,71,810	14,35,60,605	15,21,32,415	1,91,67,930	26,34,840	2,18,02,770
1914-1915 . . .	78,80,525	10,31,64,465	11,10,45,000	2,19,17,655	4,12,635	2,23,30,290
1915-1916 . . .	34,87,605	6,31,57,965	6,66,45,570	1,79,45,970	4,03,830	1,83,49,800
1916-1917 . . .	58,67,190	24,52,81,110	25,11,46,300	4,47,30,000	1,84,10,865	6,31,46,865
1917-1918 . . .	87,00,810	21,79,93,050	22,66,93,860	2,53,24,995	1,09,50,795	3,62,75,790
1918-1919 . . .	14,35,335	68,94,580	69,08,91,915	72,40,005	44,53,230	1,17,02,235
1919-1920 . . .	13,16,324	20,85,56,059	20,98,72,383	44,91,400	30,03,108	75,84,508
1920-1921 . . .	(Details not available).		11,01,56,805	(Details not available).		4,70,56,917

10. There were no sales of Council Bills during the year, but sales of sterling bills on London, which continued weekly until the end of September, totalled 28,55 lakhs. Details of these are given in paragraph 16. Certain other Government transactions which affect the balance of trade have also to be taken into account. Money Order and Postal Order transactions between India and Foreign countries resulted during the year in net receipts in India of 5,90 lakhs. Similar transactions in previous years have usually resulted in net disbursements in India, but in the present year extensive use was made of Post Office facilities to remit funds abroad. On the other hand, the sale of Telegraphic transfers on India from Mesopotamia resulted in the payment in India of 6,10 lakhs; 55 lakhs was paid in India for Krans supplied by the Imperial Bank of Persia, and payments on account of the Ceylon Government amounted to 6 lakhs. The net result of these transactions was an import of funds amounting to 81 lakhs. Remittances through Government.

11. The various items which have been taken into account in the above paragraphs show an adverse balance of trade of 50,51 lakhs, less the deduction which must be made on account of the imports of railway materials referred to in paragraph 7.

It is necessary, however, as in previous reports, to emphasise the fact that the above statistics cannot do more than furnish a rough general idea of India's international account. The invisible exports and imports represented by private remittances cannot be estimated with accuracy even under normal conditions and are still more difficult to estimate in a year of fluctuating exchange. Various other items such as exports and imports of capital and payment of interest thereon, of which accurate statistics are not available, should also be included. The trade returns themselves are subject to qualification in as much as they represent the declared wholesale value of goods at the time or place of exportation or importation from or into India and do not necessarily represent the actual prices received or paid. Moreover, a period of 12 months cannot be self-contained for the purpose of this calculation, since a large number of transactions occurring during the year will necessarily not have been liquidated at its close. In the present year this factor is of special importance: owing to the reluctance of importers to meet their obligations when exchange had fallen large quantities of imported goods had not been paid for at the end of the year, and to that extent the adverse balance of indebtedness remained unliquidated.

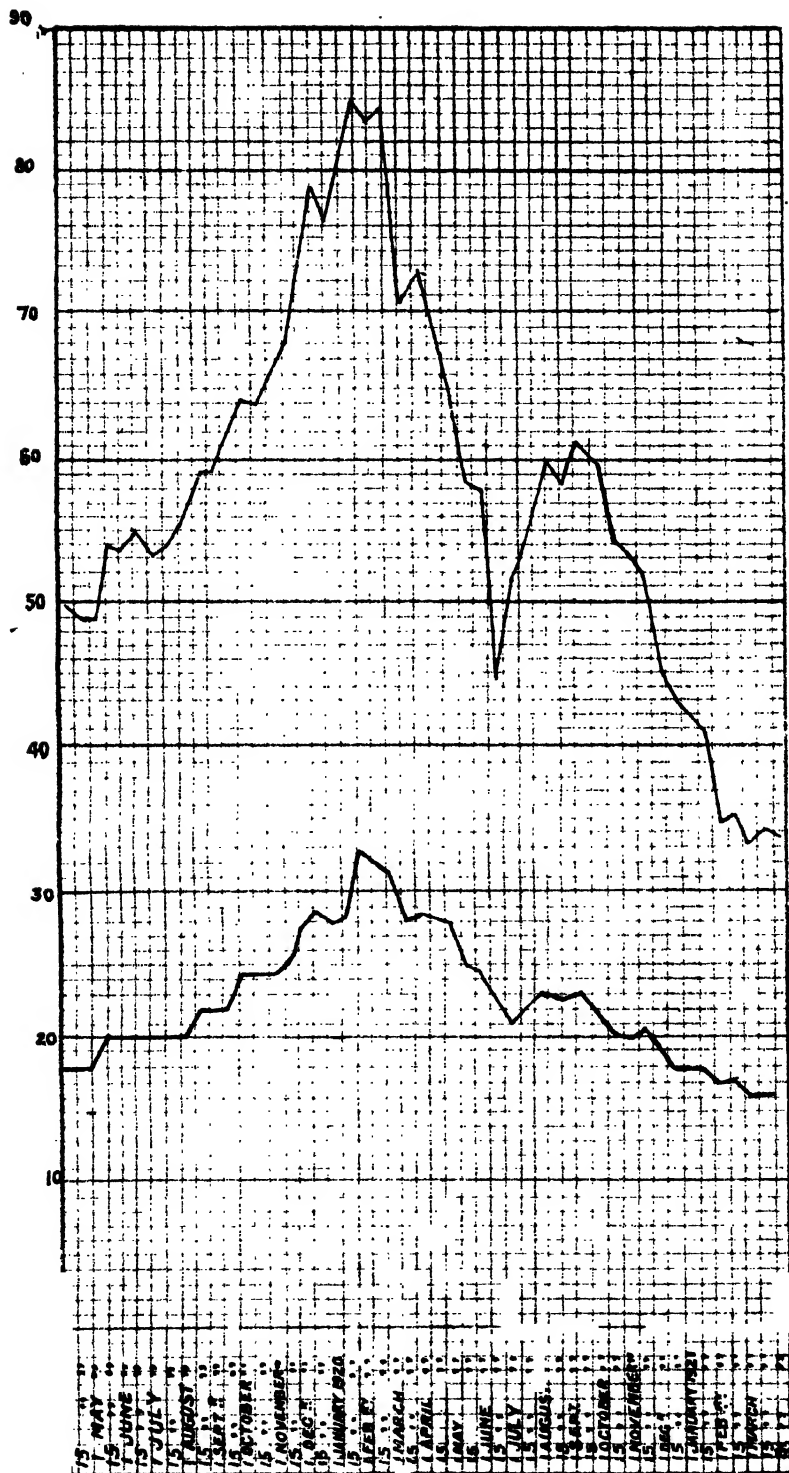
II.—Price of Silver and Exchange.

12. The following statement records the highest and the lowest, as well as the average, quotations for silver in London per standard ounce and for foreign silver in New York per fine ounce. During the greater part of the year there were two quotations for silver in the United States, one for domestic and one for foreign-mined silver, since under the Pittman Act the Director of the United States Mint was instructed to replace the silver dollars sold under that Act whenever the price for American-mined silver fell below one dollar per fine ounce. The price recorded for American silver throughout the year was 99½ cents, unless the market demand carried foreign silver above that figure. Price of Silver.

Price of bar silver per ounce.

	LONDON.			NEW YORK.		
	Highest.	Lowest.	Average.	Highest.	Lowest.	Average.
	d.	d.	d.	Cents.	Cents.	Cents.
April .	(1st and 7th) 72½	(30th) . . . 64½	68½	(6th) 127	(30th) 111½	119½
May .	(3rd) . . . 65½	(31st) . . . 57½	60	(3rd) 110½	(29th) 99½	102½
June .	(1st) . . . 57½	(15th) . . . 44	51½	(5th) 99½	(16th) 80	94½
July .	(26th and 31st) 56½	(2nd and 3rd) 51½	53½	(26th) 95	(19th) 88½	91½
August .	(20th and 21st) 63½	(3rd) . . . 57	59½	(20th & 21st) 101½	(4th and 31st) 92½	96½
September	(15th) . . . 60½	(1st) . . . 57½	59½	(15th) 95	(1st) 91½	93½
October .	(1st) . . . 59	(19th) . . . 50½	54½	(1st) 91½	(19th) 76½	83½
November .	(10th) . . . 54½	(30th) . . . 43½	50½	(4th) 82½	(30th) 68½	77½
December .	(3rd) . . . 44½	(10th) . . . 38½	41½	(3rd) 70	(10th) 59½	64½
January .	(5th and 6th) 42½	(31st) . . . 35½	40	(6th) 68½	(31st) 59½	65½
February	(3rd) . . . 37½	(25th) . . . 31½	34½	(3rd) 63½	(25th) 54½	59½
March .	(22nd) . . . 34½	(5th) . . . 30½	32½	(22nd) 58½	(5th) 52½	55½

On the 11th February 1920 the price of silver in London had reached the record figure of 89½*d.*, this startling rise having been due very largely to a strong demand from China. By the 1st April however the price had fallen to 72½*d.*, owing principally to sales on account of China. There were also other factors which contributed to the reaction, *viz.*, the strengthening of the sterling exchange with New York, the announcement of the intention to reduce the fineness of the United Kingdom silver coinage, and large sales of demonetised coin from the continent. The fall in price continued until 44*d.* was reached on the 15th June. In the 3rd week of June, however, the United States Mint began to accept tenders made under the Pittman Act; a revival in the price of silver immediately followed since this action represented the withdrawal of one-quarter of the world's production from competition in the market. There was a good deal of speculative buying and a demand set in from the Indian bazaars. This, coupled with a weakening in the sterling-dollar exchange, raised the London price to 63½*d.* by the 20th August. The price remained at or about 60*d.* until the end of September, but early in October it began to weaken; by this time it was known that the Indian monsoon had been below the average and exports of merchandise from China had fallen off. From the 19th November the fall became rapid. China was now known to be in the grip of a severe famine and large quantities of demonetised coin continued to come in from



REFERENCE
 PRICE OF SILVER
 RATE OF EXCHANGE —

the continent of Europe. The quotation at the end of December was 40½*d.*, having been as low as 38½*d.* on the 10th of that month. During the remaining months of the year under review the trend of prices was continuously downward. Continental supplies were freely offered and China was more a seller than a buyer. During this period practically the only support of the market was from India. The lowest price recorded was 30½*d.* on the 5th March, though there was a slight recovery before the end of the year.

The price of country silver in India per 100 tolas during the later months of the year was as follows :—

	Highest. Rs.	Lowest. Rs.
November 1920	110	105
December „	105	100
January 1921	99	93
February „	97-8	86
March „	89	82-8

13. In view of these unprecedented fluctuations in the price of silver Exchange variations. at a time when the balance of trade had turned strongly against India, it is not surprising that the rupee-sterling exchange—which ceased to be supported by sales of Reverse Councils after the end of September—also showed wide variations. The highest and lowest market prices for Telegraphic Transfers on London in each month were as follows :—

	Highest. s. d.	Lowest. s. d.
April 1920	2 4 (1st)	2 3½ (30th)
May „	2 3½ (1st)	2 0½ (14th)
June „	2 1½ (1st)	1 8½ (29th)
July „	1 11 (27th)	1 8½ (1st)
August „	1 10½ (1st)	1 10½ (19th)
September „	1 10½ (15th)	1 9½ (30th)
October „	1 9½ (1st)	1 6½ (9th)
November „	1 8½ (5th)	1 6½ (27th)
December „	1 6½ (1st)	1 4½ (7th)
January 1921	1 6½ (8th)	1 4½ (31st)
February „	1 4½ (5th)	1 3 (25th)
March „	1 3½ (31st)	1 2½ (7th)

14. In the diagram on the opposite page the correspondence between the price of silver and the rupee-sterling exchange during the last two years has been traced. The correspondence of the curves is not of course exact, since there are other factors which have to be taken into account in any explanation of the exchange: it is nevertheless sufficiently striking. The actual relation between the exchange rate and the bullion value of the rupee at different dates is shown in the statement which follows.

Comparative statement of market rates of exchange and of the bullion value of the rupee from April 1918 to March 1921.

	1918-19.		1919-20.		1920-21.	
	Rate of Exchange. T T s.	Value of Silver contents of a Rupee	Rate of Exchange. T T s.	Value of Silver contents of a Rupee.	Rate of Exchange. T T s.	Value of Silver contents of a Rupee.
	<i>Pence.</i>		<i>Pence.</i>		<i>Pence.</i>	
1st April	16'000	16'055	17'069	18'418	28'000	28'802
15th April	17'000	17'460	17'069	18'163	27'812	28'270
1st May	17'069	18'302	17'000	18'130	27'312	28'600
15th May	17'069	18'163	19'069	20'021	24'500	21'544
1st June	17'069	18'163	19'000	19'742	35'250	21'414
15th June	17'060	18'163	19'069	20'315	22'000	16'351
1st July	17'069	18'130	19'060	19'096	20'750	18'908
15th July	17'069	18'130	19'000	20'021	21'875	19'028
1st August	17'069	18'130	19'069	20'717	22'687	21'182
15th August	17'000	18'130	21'069	21'025	22'500	22'064
1st September	17'000	18'305	21'000	21'925	22'250	21'414
15th September	17'060	18'395	21'069	22'713	22'500	22'575
1st October	17'069	18'395	24'250	23'782	21'375	21'025
15th October	17'069	18'395	24'167	23'601	19'500	19'928
1st November	17'069	18'395	24'250	24'341	19'375	19'645
15th November	17'037	18'116	24'750	25'176	19'875	19'001
1st December	17'037	18'116	27'125	27'174	18'375	16'583
15th December	17'000	18'000	28'062	29'311	17'125	15'840
1st January	17'069	18'000	27'875	28'106	17'250	15'514
15th January	17'069	18'000	27'037	29'357	17'375	15'143
1st February	17'060	18'000	32'500	31'355	16'250	12'820
15th February	17'000	17'701	31'500	30'800	16'468	12'900
1st March	17'069	17'744	31'000	31'214	15'375	12'077
15th March	17'069	17'744	27'750	26'106	15'502	12'448

It will be seen that during the period from December 1920 to March 1921 the exchange value of the rupee remained at 2*l.* or more above its bullion value. The explanation is mainly to be found in the exports of gold from Bombay during this period. I may be permitted to quote from the analysis of India's Balance of Trade, which was published in an Appendix to Mr. H. F. Howard's Currency Report of 1913-14, the following relevant passage :—"There remained however the danger that in particular years when India's debits exceed her credits a depreciation in the value of the rupee would still occur unless measures were taken to prevent this. For if she owes more abroad than foreign nations owe to her, it is clear that her claims on foreign debtors in the shape of foreign bills of exchange will be

relatively scarce ; thus those wishing to remit money to London would have to pay a larger number of rupees for bills on London for a specified number of sovereigns. In other words exchange would fall to the point at which it would be more profitable to send gold than to remit by means of bills. In practice no gold might be available for export at such a time, and in such a contingency the rupee might, in the absence of proper safeguards, fall till it was worth no more than its bullion value at the rate of the day." These considerations lend importance to the figures of exports of gold from India during this period which have been given above in paragraph 9.

III.—The Currency Committee and Currency Policy.

15. In the report of the Controller of the Currency for last year a summary was given of the events which led to the appointment of the Committee on Indian Exchange & Currency in May 1919 and of the financial and economic problems with which the Committee were confronted. The reports of the Committee (majority & minority) were published early in February 1920, and the recommendations of the majority of the Committee, which were accepted by the Secretary of State as expressing the goal towards which Indian administration should be directed, were summarised in the Controller's report above referred to. The events of the year now under review were however so largely determined by the attempt made by the Government of India to give effect, so far as possible, to the recommendations which had been accepted that for a proper understanding of what follows it is necessary to repeat the principal recommendations contained in the majority report. These were:—

Report of the
Committee on Indian
Exchange and
Currency.

- (a) That the present rupee, unchanged in weight and fineness, should remain unlimited legal tender ;
- (b) That the rupee should have a fixed exchange value and that this exchange value should be expressed in terms of gold at the rate of one rupee for 11·30016 grains of fine gold, i.e., one-tenth of the gold contents of the sovereign ;
- (c) That the sovereign which is now rated by law at rupees 15 should be made legal tender in India at the revised ratio of rupees ten to one sovereign ;
- (d) That the import and export of gold to and from India should be free from Government control as soon as the change in the statutory ratio has been effected, and that the Gold Mint at Bombay should be open for the coinage into sovereigns of gold tendered by the public ;
- (e) That the notification of Government undertaking to give rupees for sovereigns should be withdrawn ;
- (f) That the prohibition of the private import and export of silver should be removed in due course and that the import duty on silver should be repealed unless the fiscal position demands its retention.

16. My predecessor's report has described how the demand for sterling remittance first began to show itself in January 1920. Sterling Bills were first offered for sale in India on the 2nd January and during the remainder of that month the rate at which they were sold was based on

Reverse Councils.

the rate of 2s. 4d. which had been fixed for the sale of Council Bills. But with effect from the 5th February, and in accordance with the Currency Committee's recommendation, the rate was founded on a ratio of Rs. 10 to the sovereign, allowance being made for the depreciation of sterling on the basis of the latest current rate for the dollar-sterling exchange. The rate for immediate telegraphic transfers at the sale on the 5th February was fixed at 2s. 8½d. In the following week the rate was raised to 2s. 10¾d., but by the 1st April it had been reduced to 2s. 4½d. In the statement which follows full details are given of all the sales of Reverse Councils from the 2nd January 1920 until their discontinuance at the end of September. It will be seen from this statement that the stimulus to remittance afforded by the high rates offered in the early part of the year, which were throughout on a higher level than the rate for bank remittances, led to tenders largely in excess of the amounts offered. By the end of June, as has been described earlier in this report, the balance of trade had begun to turn against India, with the result that the market rates of exchange had not merely departed from the parity of gold but had fallen below the parity of 2s. Consequently at the sale of the 24th June and subsequent sales the rate adopted for immediate telegraphic transfers was 1s. 11¾d., this representing the rate which would ultimately hold when sterling returned to parity with gold. From the details however of the later sales given in the statement below, it will be seen that applications continued to be enormously in excess of the amounts offered, since the ever-increasing balance of trade against India led to the progressive reduction of the market rate for remittances. At the end of September sales of Reverse Councils since the beginning of the year had totalled £55,382,000, and the note circulation between the 1st February and the 15th September had been reduced from Rs. 185 crores to Rs. 158 crores. But even this substantial withdrawal of currency proved ineffective to maintain exchange in view of the abnormal activity in the imports of foreign goods and the absence of any support from exports. The Government of India therefore decided after the sale of the 28th September to withdraw for the time being their offer of sterling drafts on London. During the remainder of the year no further sales were made and the exchange value of the rupee deprived of this support rapidly declined.

Statement of Sales of Reverse Councils from January to September 1920.

(Figures in 000's of £.)

Date of sale.	Rate for Immediates.	Amount offered at each sale.	Amount applied for at each sale.	Amount sold at each sale.	Progressive total of amount sold.
	s. d.				
2nd January 1920	2 8½	1,000	770	770	770
8th " "	2 3½	1,000	8,499	990	1,760
15th " "	2 3½	2,000	300	300	2,060
22nd " "	2 3½	2,000	4,890	2,000	4,060

*Statement of Sales of Reverse Councils from January to September
1920—contd.*

(Figures in 000's of £.)

Date of sale	Rate for Immediates.	Amount offered at each sale.	Amount applied for at each sale.	Amount sold, at each sale.	Progressive total of Amount sold
	<i>s. d.</i>				
29th January 1920	2 3 $\frac{3}{4}$	2,000	1,334	1,334	5,394
5th February 1920	2 8 $\frac{1}{8}$	2,000	32,390	2,000	7,394
12th " "	2 10 $\frac{7}{8}$	5,000	41,312	5,000	12,394
19th " "	2 10 $\frac{7}{8}$	2,000	122,335	2,000	14,394
26th " "	2 10 $\frac{5}{16}$	2,000	78,417	2,000	16,394
3rd March 1920	2 10 $\frac{1}{16}$	2,000	64,931	2,000	18,394
11th " " .	2 8 $\frac{3}{8}$	2,000	117,185	2,000	20,394
18th " " .	2 7 $\frac{5}{16}$	2,000	153,559	2,000	22,394
25th " " .	2 5 $\frac{3}{16}$	2,000	56,295	2,000	24,394
31st " " .	2 4 $\frac{1}{8}$	2,000	35,050	1,988	26,382
1st April 1920					
8th " " .	2 4 $\frac{3}{8}$	2,000	16,721	2,000	28,382
15th " " .	2 4 $\frac{7}{16}$	2,000	48,270	2,000	30,382
22nd " " .	2 4 $\frac{1}{2}$	2,000	59,020	2,000	32,382
29th " " .	2 5 $\frac{1}{8}$	1,000	53,210	1,000	33,382
6th May 1920 .	2 5 $\frac{3}{16}$	1,000	89,514	1,000	34,382
13th " " .	2 5 $\frac{1}{8}$	1,000	101,625	1,000	35,382
20th " " .	2 5 $\frac{1}{4}$	1,000	122,279	1,000	36,382
26th " " .	2 5 $\frac{1}{2}$	1,000	85,620	1,000	37,382
3rd June 1920	2 5	1,000	101,821	1,000	38,382
10th " " " .	2 4 $\frac{7}{8}$	1,000	109,245	1,000	39,382
15th " " .	2 4 $\frac{3}{4}$	1,000	122,991	1,000	40,382
24th " " " .	1 11 $\frac{1}{2}$	1,000	73,391	1,000	41,382
1st July 1920 .	1 11 $\frac{1}{4}$	1,000	106,751	1,000	42,382
8th " " " .	1 11 $\frac{1}{8}$	1,000	63,690	1,000	43,382
15th " " " .	1 11 $\frac{1}{16}$	1,000	101,830	1,000	44,382

*Statement of Sales of Reverse Councils from January to September
1920—concl'd.*

(Figures in 000's of £.)

Date of sale.	Rate for Immediates.	Amount offered at each sale.	Amount applied for at each sale.	Amount sold, at each sale.	Progressive total of amount sold.
	<i>s. d.</i>				
22nd July 1920 . . .	1 11 $\frac{1}{2}$	1,000	103,960	1,000	45,382
29th " " . . .	1 11 $\frac{1}{2}$	1,000	75,486	1,000	46,382
5th August 1920 . . .	1 11 $\frac{1}{2}$	1,000	101,260	1,000	47,383
12th " " . . .	1 11 $\frac{1}{2}$	1,000	112,230	1,000	48,382
19th " " . . .	1 11 $\frac{1}{2}$	1,000	114,767	1,000	49,382
26th " " . . .	1 11 $\frac{1}{2}$	1,000	117,390	1,000	50,382
2nd September 1920 . . .	1 11 $\frac{1}{2}$	1,000	126,425	1,000	51,382
7th " " . . .	1 11 $\frac{1}{2}$	1,000	117,200	1,000	52,382
13th " " . . .	1 11 $\frac{1}{2}$	1,000	115,095	1,000	53,382
21st " " . . .	1 11 $\frac{1}{2}$	1,000	122,590	1,000	54,382
28th " " . . .	1 11 $\frac{1}{2}$	1,000	120,050	1,000	55,382

Change in the legal
tender value of the
sovereign.

17. On the 1st April 1920 the restrictions on the import of gold bullion and coin described in last year's report were still in force. All gold imported into the country was subject to acquisition by Government and following the policy recommended by the Currency Committee, the acquisition rate was altered on the 2nd February 1920 to Rs. 10 per sovereign, or Re. 1 for 11·30016 grains of fine gold. The sovereign, however, remained provisionally legal tender at the rate of Rs. 15. The next step was taken on the 21st June on which date restrictions on the import of gold bullion and foreign coin were removed. By Ordinance No. III of the same date gold coins referred to in Section 11 of the Indian Coinage Act (III of 1906) ceased to be legal tender in payment or on account, but provision was made for their acceptance by Government at the ratio of Rs. 15 during a moratorium of 21 days, on the expiry of which the restrictions over imports of British gold coin were also withdrawn. Although during the moratorium all sovereigns presented at Currency offices for encashment were accepted, it was found necessary, owing to the large amount of gold coin smuggled into India in order to obtain the premium existing on gold in India, to prohibit the encashment of sovereigns at all treasuries in Madras, Burma and at Aden. Sovereigns were tendered in large numbers at the Currency offices and treasuries where encashment was still permitted during the moratorium, the total amount so received in the 21 days during which the moratorium continued amounting to about £2½ millions. The measures above described,

were a necessary preliminary to the adoption of the Currency Committee's recommendation that the sovereign should be made legal tender in India at Rs. 10 instead of Rs. 15. This recommendation was given effect to by the Indian Coinage (Amendment) Act, No. XXXVI of 1920, which received the assent of the Governor General on the 9th September 1920. This Act restored the legal tender character of the sovereign and half sovereign which had been suspended by Gold Ordinance No. III of the 21st June 1920. The rate fixed by the new Act was Rs. 10 to the sovereign, and instructions were accordingly issued to treasuries and Currency offices that sovereigns and half sovereigns if presented should be received at the rate of Rs. 10 and Rs. 5 respectively, but that they should not be issued.

18. In last year's report a full account was given of the large purchases of gold by Government during that year and of the periodical sales of gold which commenced in September 1919. The principal objects of these sales were firstly, to reduce the internal premium on gold and so to facilitate the establishment of the new ratio and secondly, to support exchange by reducing imports of gold. They may therefore fitly be considered in this place as part of the measures undertaken with a view to the adoption of the recommendations of the Currency Committee. In February 1920 it was announced that during the ensuing six months a minimum of 15 million tolas would be sold, but this original programme was extended by further sales on the 19th August and the 1st and 14th September. Details of the sales from April to September are given below, in continuation of those in last year's report. A noticeable feature of the last three sales was the amount of cancellations, due no doubt to large applications having been made by speculators who indulged in forward gambling and cancelled their tenders on the announcement of the minimum accepted rate.

Sales of gold.

The effect of the sales on the market price of gold in India can be studied from the last column of the statement which follows. In August 1919, prior to the first sale of gold by Government, the price of country bar gold was Rs. 32-4 per tola, and the immediate effect of the announcement of the first sale was to reduce the price to Rs. 27-8. The cessation of the sales was followed by a marked rise in Indian gold prices, which were—

Rs.	
24-14	on 1st October 1920.
26-15	on 1st November 1920.
28-1	on 2nd December 1920.
28-5	on 1st January 1921.
27-9	on 1st February 1921.
29-1	on 1st March 1921.
30-0	on 31st March 1921.

A large portion of the gold sold by Government was resold later for export at greatly enhanced prices and served as a support to exchange. This movement can be traced in the figures of imports and exports of the precious metals, which are given in paragraph 9.

Statement of Sales of Gold by Government.

No. of Sale.	Date of Sale.	Minimum rate of accep- ted tenders.	Average rate of accepted tenders.	Quantity of tenders accep- ted (in tolas).	Subsequent Cancellations (in tolas).	Price of coun- try bar gold in the Bom- bay basar.
		Rs. A. P.	Rs. A. P.			Rs. A. P.
14	7th April 1920	23 7 3	22 0 4	1,264,400	18,200	24 0 0
15	21st April 1920	23 7 4	23 8 0	1,223,675	155,500	24 4 0
16	5th May 1920	20 13 3	21 3 2	1,265,850	69,100	21 8 0
17	19th May 1920	21 0 3	21 1 7	1,251,050	5,000	21 12 0
18	9th June 1920	21 8 9	21 9 8	1,205,350	163,000	22 2 6
19	23rd June 1920	20 14 10	21 0 5	1,260,250	35,000	21 8 0
20	7th July 1920	21 1 4	21 2 2	1,348,500	67,000	21 6 0
21	21st July 1920	22 0 1	22 0 11	1,295,500	53,500	22 5 0
22	4th August 1920	22 5 6	22 6 3	1,315,950	37,000	22 7 0
23	19th August 1920	23 9 4	23 10 2	1,266,500	712,000	23 7 0
24	1st September 1920	22 8 3	22 10 8	1,274,200	448,500	23 1 6
25	14th September 1920	23 9 4	23 13 11	1,252,500	1,022,000	23 8 0

Of the total amount of gold sold and taken up at the 12 sales, *viz.*, 12,529,925 tolas, the distribution by centres at which tenders for gold were received was as follows:—

No. of Sale.	Bombay.	Calcutta.	Lahore.	Madras.	Rangoon.	Allaha- bad.	Nagpur.	Ranchi.	Shillong.	Total.
14	817,250	228,200	141,500	3,000	1,000	18,250	4,000	...	...	1,246,200
15	870,350	137,700	40,025	1,000	1,000	17,100	1,000	...	...	1,068,175
16	886,050	238,100	52,000	7,000	...	8,650	4,050	...	...	1,196,750
17	936,000	275,950	31,100	3,000	...	...	...	...	...	1,246,050
18	1,074,750	5,000	43,600	8,000	...	1,000	...	...	...	1,132,350
19	939,500	241,050	31,500	...	...	13,200	...	...	...	1,225,250
20	1,240,500	18,000	21,000	2,000	...	...	...	...	...	1,281,500
21	1,197,000	45,000	...	...	...	...	...	...	...	1,242,000
22	934,950	309,800	27,000	...	2,000	6,000	...	...	...	1,278,950
23	70,500	480,000	4,000	...	...	...	...	...	...	554,500
24	726,000	85,000	5,700	9,000	1,000	1,000	...	...	...	827,700
25	210,500	20,000	...	...	...	...	...	...	...	230,500
Total.	9,933,050	2,083,800	400,425	33,000	5,000	65,200	9,050	...	...	12,529,925

19. As mentioned in last year's report the prohibition on the import of silver into British India was removed in February 1920 and the import duty of 4 annas per oz. was abolished. The fall in the price of silver and the continued return of silver coin from circulation, which are dealt with in detail elsewhere in this report, rendered possible the removal of the remaining War-time restrictions on the movements of the precious metals. On the 18th June 1920 the restrictions imposed on the transit of silver by rail and boat in India were removed, and on the 20th July the prohibition, which had been imposed in September 1917, on the export of silver bullion and coin from British India was cancelled. Further, on the 25th June the restrictions (which had only been partial) on the use of silver for making payments on behalf of Government were withdrawn and Treasury officers were instructed that payments on behalf of Government should in future be made in the form of currency which the payee desired. At the same time a further step was taken in the direction of renewing the extra-legal facilities which had previously been granted of giving silver at treasuries in exchange for notes. The instructions to Treasury officers were that they should, so far as their resources permitted, give silver in exchange for small value notes if presented in reasonably small quantities, and also where special arrangements have been made with branches of the Presidency Banks to carry on exchange transactions with the public, those facilities, where they had lapsed during the war, should be again restored. So far therefore as silver is concerned, the recommendations of the Currency Committee were fully given effect to in the course of the year. The notifications under the Defence of India Act, which prohibited the use of gold and silver coin otherwise than as currency, or dealing therein at a premium, had already been cancelled in February 1920. The movements of the precious metals, rendered possible by the removal of these various restrictions, are among the most interesting features of the year.

Removal of restrictions on the precious metals.

20. Last year's report described how in September 1919, owing to difficulties in the Ways and Means position, legal powers were taken by Act XXVI of 1919 temporarily to increase the permissible holdings of securities in the Paper Currency Reserve to Rs. 120 crores, of which Rs. 100 crores had to be held in British Treasury Bills. A further step had to be taken in March 1920, in view of the unprecedented sales of Reverse Councils which the Secretary of State was unable to meet entirely from his Treasury Balances. The Secretary of State was compelled at that time to begin selling out a portion of the sterling securities in the Paper Currency Reserve, and in the absence of special legislation permitting increased investments in Indian securities, it would have been necessary to cancel notes to the full rupee equivalent of the sterling securities sold. As such action would have been likely to cause a severe monetary crisis in India, temporary legislation was passed in March 1920 continuing the existing figure of Rs. 120 crores as the limit of permissible investment but abolishing the existing restrictions as to the locale of the investments and their sterling or rupee character. This Act (No. XXI of 1920) was to remain in force up to the 1st October 1920, and it was replaced at the autumn session of the Imperial Legislative Council by the Indian Paper Currency Amendment Act (No. XLV of 1920) which received the assent of the Governor General in Council on the 17th September and came into force on the 1st October. This Act gave effect to the recommendations of the Currency Committee regarding the eventual statutory constitution of the Paper Currency Reserve, while

Statutory constitution of the Paper Currency Reserve.

providing for a temporary transitional period of adjustment. The Act provides in the first place for the issue of currency notes against sovereigns and half-sovereigns at the new rate of Rs. 10 per sovereign and against gold bullion at the corresponding rate of one rupee for 11·30016 grains troy of fine gold. In the second place it lays down the permanent constitution of the Reserve, which is to include :—

- (a) The Metallic Reserve, consisting of the total amount represented by the sovereigns, half sovereigns, rupees, silver half-rupees, and gold and silver bullion for the time being held on that account by the Secretary of State for India in Council and by the Governor General in Council, provided that the gold coin and bullion held by the Secretary of State in the metallic reserve shall not exceed Rs. 5 crores in value.
- (b) The Securities Reserve, consisting of the securities for the time being held on that account by the Secretary of State for India in Council and the Governor General in Council; provided that—
 - (i) the securities held by the Secretary of State shall not be of longer maturity than one year from the date of purchase, and
 - (ii) the securities held on behalf of the Governor General in Council shall be securities of the Government of India and shall not exceed in amount Rs. 20 crores. Not more than Rs. 12 crores of this amount may be in securities created by the Government of India and issued to the Controller of the Currency.

Further, the Act prohibits the issue of currency notes if such issue would have the effect of raising the amount of notes in circulation to more than twice the amount of the metallic reserve. This statutory constitution of the Paper Currency Reserve is to be brought into force on a day appointed by the Governor General in Council as soon as conveniently may be after the relation of the amount of the currency notes in circulation to the amount of the Reserve has been brought into conformity with the provisions above outlined and the metallic reserve is not less than 50 per cent. of the currency notes in circulation. During the intermediate period the Act provides for a temporary constitution of the Reserve under which the securities of the Government of India held in the Reserve shall be limited to Rs. 85 crores, and so long as the 'created securities' exceed Rs. 12 crores, all interest derived from the securities in the Reserve shall with effect from the 1st April 1921 be applied in reduction of such excess holdings.

Further, the Act gives power to the Governor General in Council to issue currency notes up to Rs. 5 crores in value against Bills of Exchange maturing within 90 days from their date of issue and under such conditions as the Governor General in Council may under general or special order prescribe.

As a result of the passing of the Act, the Gold and the sterling securities held in the Paper Currency Reserve were revalued on the 1st October at the new rate of Rs. 10 per sovereign, or Re. 1 for 11·30016 grains of fine gold. The deficiency in the Reserve resulting from the revaluation was made up by 12 months' Treasury Bills of the Government of India issued by the Controller of the Currency to the Reserve. The constitution of the Reserve on the 31st March 1920 and on the 31st March 1921, respectively, which is given below, shows clearly the effect of this operation.

Constitution of the Paper Currency Reserve on the 31st March 1920 and 31st March 1921.

(In Rupees.)

Date.	TOTAL NOTES IN CIRCULATION.	COIN AND BULLION.				SECURITIES.	
		IN INDIA.		IN ENGLAND.	IN TRANSIT.	Held in India.	Held in England.
		Silver coin.	Gold coin and bullion.	Silver bullion under coinage.	Gold coin and bullion.	Gold coin and bullion.	
31st March 1920	1,74,52,45,960	33,21,91,690	(c) 44,80,53,415	6,63,25,359	Nil.	(c) 3,44,71,947	(a) 19,58,54,946 (c) 67,27,47,967
31st March 1921	1,66,15,69,750	61,42,09,881	(d) 24,17,13,026	4,14,47,032	Nil.	Nil.	(b) 68,07,15,946 (d) 8,34,83,862

(a) Includes Rs. 10,00,00,000 Indian Treasury Bills.

(b) Includes Rs. 61,26,00,000 Indian Treasury Bills.

(c) Converted at Rs. 15 per £1 or Re. 1 for 7-53844 grains of fine gold.

(d) Converted at Rs. 10 per £1 or Re. 1 for 11-30016 grains of fine gold.

IV.—The Government Balances and Reserves. Ways and Means.

21. The usual details regarding the Treasury Balances and the Gold Standard and the Paper Currency Reserves will be found in Statements Nos. I and II appended to this report. A summary of these details is given in the following table, which sets out the amounts and the distribution of these balances at the commencement and at the close of the year and also at the end of September 1920.

[In lakhs of Rs.]												
1st April 1920.					30th September 1920.				31st March 1921.			
	India.	England.	H. M.'s Dominions & in transit between India, England & H. M.'s Dominions.	Total.	India.	England.	H. M.'s Dominions & in transit between India, England & H. M.'s Dominions.	Total.	India.	England.	H. M.'s Dominions & in transit between India, England & H. M.'s Dominions.	Total.
Treasury.	26.48	12.00	...	38.48	21.21	5.06	...	26.27	13.68	7.15	...	21.03
* Paper Currency Reserve.												
{ Silver	30.85	...	...	30.85	58.07	...	...	58.07	65.57	...	...	65.57
{ Gold	14.36	...	3.45	17.81	36.15	...	...	36.15	24.17	...	...	24.17
{ Securities	19.59	67.27	...	86.86	17.14	16.28	...	33.42	64.07	8.35	...	76.42
Gold Standard Reserve.												
{ Gold	...	...	...	...	...	...	...	...	...	...	...	...
{ Securities	...	36.31	...	36.31	...	37.44	...	37.14	38.95	...	...	38.05
{ Cash the Bank of England	...	...	...	...	...	1	...	1	...	1	...	1

The figures representing gold and sterling securities in the Paper Currency Reserve on the first two dates have been converted at the rate of Rs. 15 per £, pending revaluation on the 1st October 1920 at Rs. 10 per £.

Indian ways and means transactions.

22. The above figures give a general indication of the effect on the resources of the Government of India of their ways and means operations of the year of which a full account has been given in paragraphs 34 and 35 of the narrative of the Honourable Finance Member introducing the Financial Statement for 1921-22. The main features of the transactions of the year will be best appreciated by the following very brief summary. Outgoings amounted to a little over 2,12 crores, accounted for as follows:—

	In crores.
(a) Army, Military Works, and Marine issues (net)	92.13
(b) Loss on revaluation of gold and sterling Securities in P. C. R.	17.47
(c) Discharge of War Bonds	28.04
(d) Civil and Public Works deposits	2.52
(e) Investment of the Bombay Development Loan proceeds	9.00
(f) Exchange on Remittance Account	21.65
(g) Transfer of balances to Home Treasury through Currency	36.50
(h) Post Office Cash Certificates (not discharged)	.97
(i) Capital outlay—Dolui and Irrigation, etc.	1.88
(j) Other outgoings	2.03

2,12.19

The finance for these transactions was provided for in the following ways : —

	In crores.
(1) From excess of Civil Revenue over Civil Expenditure	45.84
(2) From excess of Railway receipts over issues	17.39
(3) From Post Office receipts	1.76
(4) By borrowings—	
(a) Indian War Loan	29.75
(b) Bombay Development Loan	9.39
(c) From Paper Currency reserve by issue of Indian Treasury Bills (net)	51.17
(d) Sale of Treasury Bills to the Public (net)	85
(5) By remittance of gold to India	7.74
(6) By receipts from sales of sterling drafts on London	30.99
(7) On account of Burma rice control scheme deposits	4.71
(8) Reduction of cash balances	12.60
	<u>212.10</u>

23. Sales of Indian Treasury Bills continued throughout the year except during the period from the 21st June to the 15th August, preliminary to and during the loan operations. Monthly figures of sales and discharges are given in the following statements. The sales recorded in July represent renewals of special Treasury Bills issued to the Exchange Banks in part settlement of their overbuying guarantee, and a special issue to the Nepal Darbar in exchange for gold.

Bills with a currency of four and eight months were introduced in February with the object of spreading maturities more evenly throughout the year.

SALES AND DISCHARGES OF TREASURY BILLS DURING 1920-21.

A.—Issued to the public.

In lakhs of Rs.

	SALES.							Discharges.
	3 months.	4 months.	6 months.	8 months.	9 months.	12 months.	Total.	
April 1920	21	...	3.25	...	33	27	4.06	8.96
May 1920	1.70	...	1.10	...	1.73	35	4.88	2.54
June 1920	1	...	1.85	...	1.03	1.49	4.38	6.00
July 1920 . . . . .	...	...	1.90	...	...	40	2.30	7.65
August 1920 . . . . .	...	...	8.59	...	4	73	9.36	5.44
September 1920 . . . . .	...	...	6.28	...	41	9	6.78	5.84
October 1920	75	...	1.85	...	14	60	3.34	7.80
November 1920	1.40	...	23	...	3.57	4	5.24	1.31
December 1920	4.58	...	93	...	1	8	5.60	2.77
January 1921 . . . . .	...	...	2.56	...	1.14	11	3.81	4.82
February 1921 . . . . .	...	2.50	7.85	21	1.77	20	12.53	11.59
March 1921 . . . . .	...	7.21	5.87	2.24	...	32	15.64	12.35
TOTAL	8.65	9.71	42.26	2.45	10.17	4.68	77.92	77.07

B.—Twelve months' Bills issued to the Paper Currency Reserve.

	Sales.	Discharges.
April 1920	4,40	...
May 1920	7,80	...
June 1920	4,60	...
July 1920	5,40	...
August 1920	7,14	...
September 1920	80	1,00
October 1920	22,03	...
November 1920 . . . . .	...	...
December 1920	2,80	2,80
January 1921	2,09	2,09
February 1921 . . . . .	...	...
March 1921	4,20	4,20
<hr/>		
TOTAL	61,26	10,09

The amount of Bills outstanding with the public on the 31st March 1921 was Rs. 43,73 lakhs as compared with Rs. 42,89 lakhs on the 1st April 1920. In addition, the amount of Bills outstanding in the Paper Currency Reserve on the 31st March 1921 was Rs. 61,26 lakhs, as against Rs. 10,09 lakhs on the 1st April 1920. The total amount of Bills of both classes outstanding on the 1st April 1921 was therefore Rs. 1,04,99 lakhs as against Rs. 52,98 lakhs on the 1st April 1920. This represents a net increase in these liabilities during the year of 52 crores, of which 18½ crores were due to the revaluation of the sterling holdings in the Paper Currency Reserve on the 1st October. The earlier issues to the Reserve were mainly in replacement of securities sold in London by the Secretary of State to meet drawings on his Treasury balances; from October onwards there have been no further issues of Treasury Bills to the Reserve except in replacement of similar bills maturing.

The statement which follows shows the rates at which Treasury Bills were sold during the year, and the minimum and maximum percentage yield on each class of Bill during this year and the year preceding.

Issue price per cent. of Treasury Bills.

Dates.	3 months.	4 months.	6 months.	8 months.	9 months.	12 months.
April 1st, 1920 (from 26th January 1920).	99		12		96 9	95 0
April 6th, 1920 .	99 0		97 8		96 4	95 0
April 19th, 1920 .	98 14		97 8		96 0	95 0
June 2nd, 1920 .	Sales discontinued		97 12		96 6	95 0
June 21st, 1920 .			No sale	to the public.		
August 16th, 1920			97 8		96 4	95 0
September 24th, 1920			97 11		96 4	95 0
October 4th, 1920			97 11		96 0	95 0
October 19th, 1920			97 8		96 0	95 0
October 25th, 1920	98 12		97 8		96 0	95 0
November 30th, 1920	98 8		97 4		96 0	95 0
December 20th, 1920	Sales discontinued		97 4		96 0	95 0
February 21st, 1921		98	97 6	96 8	Sales discontinued	95 0
March 12th, 1921		Sales discontinued	97 6	96 8		95 0
March 17th, 1921			97 5	96 7		94 14

Percentage yield.

Year.	3 months.	4 months.	6 months.	8 months.	9 months.	12 months.
1919-20 Minimum . . .	3.53	...	4.08	...	4.12	4.71
Maximum . . .	4.55	...	5.13	...	5.56	5.26
1920-21 Minimum . . .	3.53	5.54	4.60	5.44	4.75	5.26
Maximum . . .	6.09	5.54	5.66	5.54	5.56	5.40

24. In Statement II appended to this report will be found the usual summary of the transactions of the Secretary of State. The opening and closing balances of the year were £11,997,000 and £7,265,000, respectively; the average balance during the year was £1,510,000 as against £11,739,000 in 1919-20, the minimum being £2,058,000 in February and the maximum £7,265,000 in March 1921. The lower level of the Secretary of State's balances was due to payments on account of sterling drafts, old purchases and Postal and Money Order transactions. In April, payments on account of sterling drafts amounted to £8½ millions and heavy payments

Secretary of State's transactions.

continued till the end of September when the sales of these drafts were discontinued. The total amount thus paid from May to September was about £22½ millions. Gold purchases accounted for £1½ millions in April, £2½ millions in May and a similar amount in June; from July onwards they declined, the small amounts paid thereafter being on account of gold purchased from the Indian Mines. Postal and Money Order transactions, which resulted in a net disbursement of only £281,000 in 1919-20, accounted for heavy disbursements throughout 1920-21. This was due to the margin of difference between the money order rate and the market rate of exchange in favour of remitters to England. The actual payments in April amounted to about £1 million and though these dropped to £133,000 in May, they again increased in June and thereafter till December 1920 stood at a fairly constant level, the total payments during this period amounting to £5,333,000. In December and January, the payments still further increased, amounting in these two months to £2½ millions.

As in the previous year, the Secretary of State placed himself in funds to meet these abnormal transactions by transfers from the Paper Currency Reserve and by recoveries from the War Office. Between April and October over £36½ millions was transferred from the Paper Currency Reserve to the Home Treasury, the highest amount transferred in any one month being £9 millions in June. Recoveries from the War Office varied from month to month, the largest amount being £11½ millions in March 1921.

To sum up: The net sterling charges against Revenue amounted to £28 millions and the capital expenditure including expenditure on railways to £17½ millions. The purchase of gold resulted in a disbursement of £6½ millions, while the payments on account of sterling drafts and Postal and Money Order transactions amounted to £31½ and £9½ millions, respectively. On the other hand, the net recoveries from the War Office supplied the Home Treasury with funds to the extent of £52 millions, while to make up the deficiency, the Secretary of State transferred from the Paper Currency Reserve £36½ millions.

Paper Currency Reserve

25. Details of the composition of the Paper Currency Reserve on the last day of each month in the year will be found in Statement III.

At the commencement of the year the total note circulation was 1,74,52 lakhs; at the close of the year it had been reduced to 1,66,16 lakhs. The silver holding in the Reserve on the former date amounted to 39,85 lakhs, including 33,22 lakhs of silver coin; on the latter date it had risen to 65,57 lakhs, of which silver coin accounted for 61,42 lakhs. This great increase in the silver holding was due to the continuous return of rupees from circulation throughout the year.

The gold holding in the Reserve at the commencement of the year was 47,81 lakhs, valued at Rs. 15 to the sovereign, or Re. 1 for 7·53344 grains of fine gold. At the close of the year it had been reduced to 24,17 lakhs. The revaluation at the rate of Rs. 10 to the sovereign or Re. 1 for 11·30016 grains of fine gold on the 1st October accounts for 12,05 lakhs of this reduction. There were large receipts of sovereigns from the public during the early months of the year, particularly during the moratorium in June and July, when sovereigns were accepted at the old ratio of Rs. 15. The actual holding of sovereigns in the Reserve increased during the year from £9,689,155 to £15,889,867, though as a consequence of the changed method of valuation, involving a loss of Rs. 7,55 lakhs, the increase recorded is Rs. 1,36 lakhs

only. The gold bullion on the other hand, though augmented during the period from April to August by purchases, amounting to Rs. 10,80 lakhs, by the Secretary of State and by the produce of the Indian mines amounting to Rs. 1,65 lakhs, was depleted by the sales of gold to the public. The net reduction during the year in the value of the gold bullion held in the Reserve was Rs. 19,12 lakhs, of which Rs. 4,39 lakhs was due to the revaluation. The stocks of bullion include Rs. 2,26 lakhs of gold mohurs which were melted into bullion in the course of the year.

The Securities held in the Paper Currency Reserve at the commencement of the year were valued at Rs. 86,86 lakhs, and at the close of the year at Rs. 76,42 lakhs. Their character and locale had in this period entirely changed on account of the sale of sterling securities by the Secretary of State to the amount of £36½ millions in replenishment of his treasury balances and the revaluation of the remaining sterling securities at the new ratio on the 1st October. The deficiency in the Reserve was made good by the issue of Indian Treasury Bills, of which the holding in the Reserve increased from Rs. 10,09 to Rs. 61,26 lakhs. The position at the commencement and at the close of the year has been summarised in the Statement which follows para. 20.

26. The holding of securities in the Gold Standard Reserve increased from £36,344,000 to £38,951,000. This increase was the result solely of the investment of amounts previously placed by the Secretary of State at short notice and of interest which accrued on the securities held in the Reserve. Details of the balance in the Reserve and of the securities held therein will be found in Statement XXII.

V.—Money conditions in India, the Presidency Banks and the Imperial Bank of India.

27. The following table gives the usual statistics of the Government balances at each of the three Presidency Banks on the last day of each month of the last three years, and statistics of the balances in Reserve Treasuries on the same dates :—

Reserve Treasuries Balance.			Last day of month.	1918-19.			1919-20.			1920-21.		
1918-19.	1919-20.	1920-21.		Head-quarters.	Branches.	TOTAL.	Head-quarters.	Branches.	TOTAL.	Head-quarters.	Branches.	TOTAL.
4,66	1,07	1,78	April . .	3,70	2,70	6,55	10,51	3,11	13,66	13,47	3,30	16,77
1,58	54	3,00	May . .	9,13	2,60	11,79	5,43	2,91	8,34	14,73	2,96	17,69
2,35	86	2,63	June . .	9,87	4,39	14,26	5,07	2,77	7,84	13,75	2,62	16,37
1,14	96	1,08	July . .	3,48	4,22	7,70	4,11	3,65	7,76	17,38	3,00	20,38
2,19	89	2,21	August .	3,20	4,15	7,41	6,11	3,65	9,76	14,26	3,06	17,32
2,52	1,11	1,84	September .	13,94	4,66	18,60	4,17	2,88	7,05	13,79	3,01	16,80
1,02	1,25	98	October .	5,79	3,97	9,76	8,50	2,66	11,46	10,11	40	12,60
63	1,14	1,58	November .	4,47	2,59	7,06	9,30	3,22	12,58	3,94	2,48	6,42
78	63	80	December .	5,77	2,90	8,67	4,29	3,40	7,78	6,10	2,94	9,04
1,72	4,14	73	January .	3,98	3,17	7,15	13,57	3,63	17,20	3,03	3,46	6,49
1,68	3,44	...	February .	6,01	3,57	9,58	14,57	3,69	18,26	...	...	5,85(a)
3,58	1,55	...	March .	11,81	3,33	15,14	13,66	3,54	17,20	...	...	6,41(a)
1,09	1,46	1,78	Average .	6,77	3,53	10,30	8,28	3,20	11,57	11,06	2,93	12,68

(a) Balances held with the Imperial Bank of India.

The balances retained at Reserve Treasuries were kept at a low figure in accordance with the policy adopted in recent years and the Reserve Treasury system was abolished at the end of January. Thereafter the whole of the Government balances were entrusted to the Imperial Bank of India with the exception of the treasury balances at places where there is no branch of the Imperial Bank. During the first half of the year, by reason of the proceeds of Reverse Council sales, the Government balances were maintained at a much higher level than usual. The second half of the year showed a rapid deterioration and the balances were exceptionally low. Three crores of Ways and Means advances, which were taken from the Bank of Bombay during November and December, were repaid in January.

Cash balances of the Presidency Banks.

28. The following statement gives the figures for the cash balances of the three Presidency Banks (and from January onwards of the Imperial Bank of India) in the last week of each month of the year.

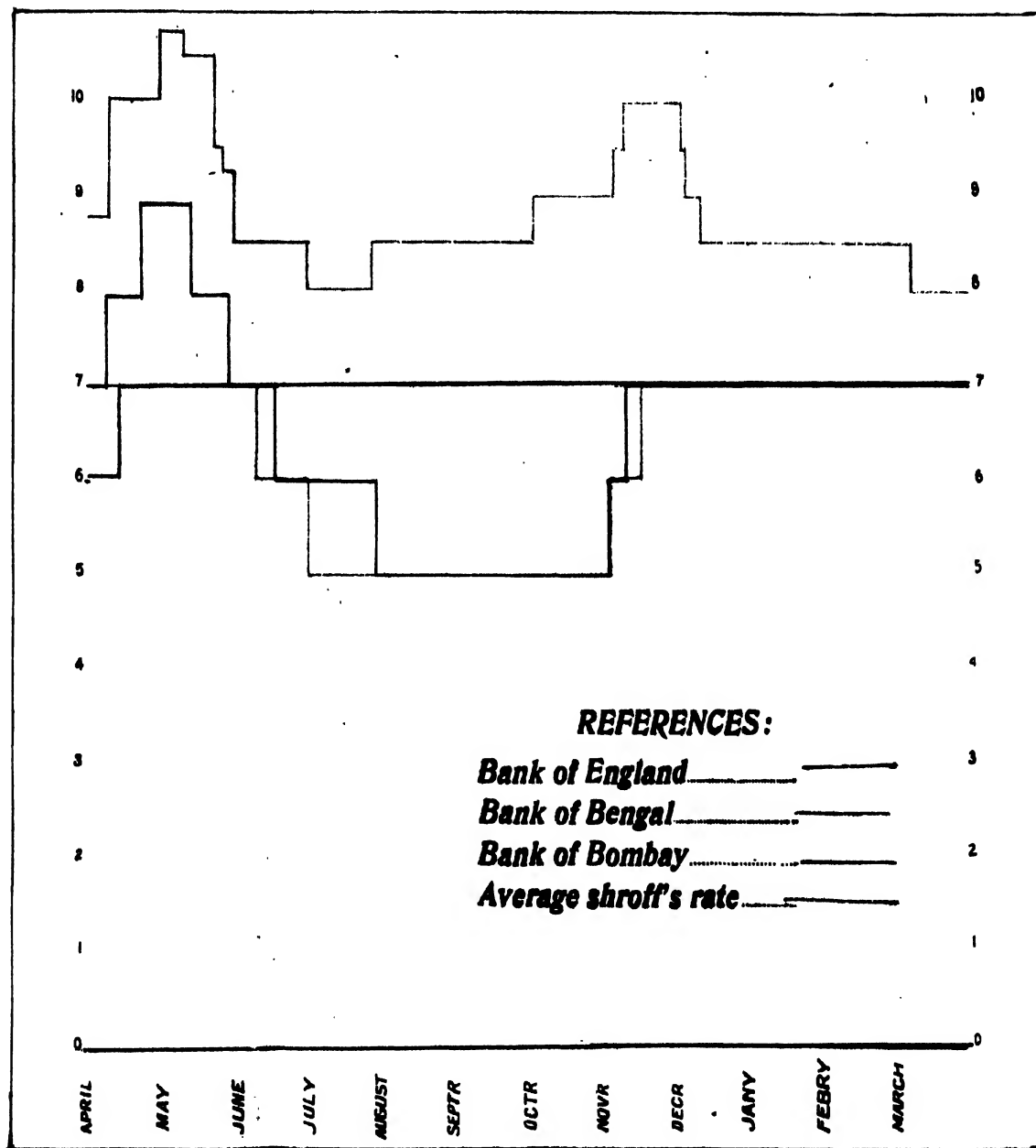
(In lakhs of Rs.)

Cash balances in the last week of	Bank of Bengal		Bank of Bombay.		Bank of Madras.		TOTAL.	
	1919-20.	1920-21.	1919-20.	1920-21.	1919-20.	1920-21.	1919-20.	1920-21.
April . . .	11,73	11,52	6,90	8,15	4,19	4,60	22,82	24,27
May . . .	8,81	11,17	6,12	12,25	4,39	4,75	19,32	28,17
June . . .	12,82	15,31	11,17	13,15	4,26	6,11	28,25	34,57
July . . .	15,17	19,35	11,04	16,42	3,71	6,59	29,92	42,36
August . . .	12,36	19,49	10,50	19,23	4,26	4,96	27,12	43,68
September . . .	11,04	14,56	8,78	16,05	4,40	4,53	24,22	35,14
October . . .	15,78	11,59	7,69	17,31	4,72	4,69	28,19	33,59
November . . .	13,49	11,48	11,24	11,42	4,93	4,93	29,66	27,83
December . . .	10,12	11,33	9,92	8,77	4,37	5,06	24,41	25,16
January . . .	10,82	...	9,20	...	4,09	...	24,11	27,05(a)
February . . .	11,27	...	9,56	...	3,88	...	24,71	26,52(a)
March . . .	13,31	...	11,13	...	4,30	...	28,74	22,06(a)

(a) Cash Balances held by Imperial Bank.

The cash balances of the Presidency Banks (and of the Imperial Bank of India from the 27th January 1921) exhibit greater variations than in the preceding year. The maximum balance was 43,68 lakhs in the present year as compared with 29,92 lakhs in the preceding year; the minimum was 22,06 lakhs as compared with 19,32 lakhs. Except in the month of March, they were throughout at a higher level in the present year. As in the previous year the ordinary trade demands for money were obscured by special factors. In particular, the continued demand for remittance in the early months of the year and the large amount of Reverse Councils offered to the public created a factitious stringency in the market which is reflected in the Bank rates. The year opened with the Bank of Bengal and Bank of

Average Shroff's discount rate for traders' bills, Bank of England, Bank of Bengal and Bank of Bombay discount rate 1920—21.



Bombay rates at 7 per cent. The Bank of Bengal maintained this rate until the 10th June when it was reduced to 6 per cent. The Bank of Bombay, however, raised its rate to 8 per cent. on the 8th April and to 9 per cent. on the 22nd April. The rate was reduced to 8 per cent. on the 13th May, to 7 per cent. on the 27th May and to 6 per cent. on the 16th June. The Bank of Bengal reduced its rate to 5 per cent. on the 1st July and the Bank of Bombay followed suit on the 29th July. The Bank of Madras rate remained generally 1 per cent. above those of the other Banks, but never exceeded 9 per cent. This rate was introduced on the 27th April; it was reduced to 8 per cent. on the 15th June, to 7 per cent. on the 3rd July and to 6 per cent. on the 20th July. From the point of view of the Banks this period was throughout abnormal and the rate of money in the market cannot be judged by ordinary standards, being influenced very greatly by the large sums locked up in connection with Reverse Councils.

No further changes were made in the Bank rates until November, but it would not be correct to assume from this that the Indian money market during the whole of this period was unusually easy. During September and October at any rate the Presidency Bank rates can hardly be considered a true index of the state of the market. In the diagram on the opposite page an attempt has been made to show the course of the various Bank rates in comparison with the average rates for accommodation in the bazaar. The latter figures, which are based upon information received regarding the Calcutta market, do not pretend to more than approximate accuracy. The rate shown is the average rate at which shroffs were prepared to discount traders' bills. The rate at which they discounted or renewed petty traders' accommodation paper would average from 1 to 2 per cent. higher. It is interesting to observe that during this period the Indian Bank rates were appreciably lower than the Bank of England rate, which practically throughout the year remained at 7 per cent. This high rate was no doubt adopted partly as matter of policy in order to check speculative trading by restricting credit.

In November the increasing monetary stringency in India became more pronounced. The Banks of Bengal and Bombay raised their rates to 6 per cent. on the 4th November; the Bombay Bank rate was advanced to 7 per cent. on the 12th November, the Bank of Bengal following on the 18th November. The Madras rate also was raised to 7 per cent. on the 10th November. The initial rate of the Imperial Bank of India was also 7 per cent. but was reduced to 6 per cent. on the 3rd March. Contrary to usual experience the demand for money fell off at this time, owing to unusually small requirements for the finance of the Burma rice crop and the cotton crop in Bombay. The year closed with money rates unusually easy.

The maximum and minimum rates of the three Presidency Banks during the last three years are shown in the following table.

Presidency Bank.	Maximum.			Minimum.		
	1918-19.	1919-20.	1920-21.	1918-19.	1919-20.	1920-21.
Bengal	7	7	7	5	5	5
Bombay	7	7	9	5	5	5
Madras	8	8	9	6	6	6

29. An event of great importance in the history of Indian banking was the formation on the 27th January 1921 of the Imperial Bank of India by amalgamation of the three Presidency Banks of Bengal, Bombay and Madras. This important amalgamation demands detailed consideration in this report, in as much as the agreement between the Government of India and the Imperial Bank has resulted in important changes in the control of Government balances, in the resource operations of Government and in the movement of funds throughout the country.

The idea of a Central Banking establishment for British India was mooted as early as 1836, and was the subject of a minute by Mr. James Wilson, when Finance Member, in 1859. Again, in 1867 Mr. Dickson, the well-known Secretary of the Bank of Bengal, submitted detailed proposals for an amalgamation of the three Presidency Banks. On various later occasions the matter was brought forward without result and it was discussed by the Chamberlain Commission on Indian Finance and Currency in 1913. The present scheme which has come to fruition was however the result of a *rapprochement* on the part of the Banks themselves as a result of the experience gained during the war and the realisation of the desirability of strengthening and extending the Banking system in India.

The history of the Presidency Banks in their relationship with Government, of which a clear and detailed description will be found in Sir James Brunyate's "An account of the Presidency Banks", falls into three well-defined stages. Prior to 1862 the Presidency Banks had the right of note issue, but were directly controlled by Government and the scope of their business was restricted by their charters. The second period was from 1862 to 1876. In 1862 the Banks were deprived of the right of note issue, though by their agreements of that year they were authorised to transact the paper currency business as agents of Government. As compensation for the loss of their right of issue, they were given the use of the Government balances and the management of the treasury work at the Presidency towns and at their branches. The old statutory limitations on their business were at the same time greatly relaxed, though the Government's power of control remained unchanged. In 1866 the agreements were revised and the paper currency business was removed from their control and placed under the direct management of Government. The third period dates from the Presidency Banks Act of 1876 by which nearly all the most important limitations of the earlier period were reimposed. Put very briefly, the principal restrictions imposed by this Act prohibited the Banks from conducting foreign exchange business, from borrowing or receiving deposits payable out of India, and from lending for a longer period than six months, or upon mortgage or on the security of immovable property or upon promissory notes bearing less than two independent names or upon goods, unless the goods or the title to them were deposited with the bank as security. At the same time Government abandoned direct interference in the management, ceasing to appoint official directors and disposing of their shares in the Banks. The Banks no longer enjoyed the full use of the Government balances. Reserve Treasuries were constituted at the Presidency towns into which the surplus revenues were drawn and the balances left at the disposal of the Banks were strictly limited. 5-129

This system continued with only minor modifications until the present year. During the war, however, the policy was deliberately adopted of

reducing the amount of the balances held in the Reserve Treasuries and leaving much larger balances with the Head-quarters of the Presidency Banks in order to assist the money market.

We now come to the Imperial Bank of India Act (XLVII of 1920). Under the new Act, the control of the Bank is entrusted to a Central Board of Governors with Local Boards at Calcutta, Bombay and Madras and such other places as the Central Board, with the previous sanction of the Governor General in Council, may determine. The Central Board of Governors consists of—

- (a) Managing Governors, not exceeding two in number, appointed by the Governor General in Council on recommendation by the Central Board;
- (b) the Presidents, Vice-Presidents and Secretaries of the Local Boards;
- (c) the Controller of the Currency, or other officer nominated by the Governor General in Council; and
- (d) not more than four non-officials nominated by the Governor General in Council.

Representatives of any new Local Boards, which may be constituted, may be added at the discretion of the Central Board.

The Controller of the Currency and the Secretaries of the Local Boards are entitled to attend the meetings of the Central Board but not to vote. Under the agreement with Government, however, which will be referred to later, the Governor General in Council is entitled to issue instructions to the Bank in respect of any matter which in his opinion vitally affects his financial policy or the safety of the Government balances, and if the Controller of the Currency or such other officer of Government as may be nominated by the Governor General in Council to be a Governor of the Central Board shall give notice in writing to the Managing Governors that he considers that any action proposed to be taken by the Bank will be detrimental to the Government as affecting the matters aforesaid, such action shall not be taken without the approval in writing of the Governor General in Council. Under the Imperial Bank of India Act provision is made for the increase of the capital of the Bank. The capital of the three Presidency Banks consisted of $3\frac{1}{4}$ crores of rupees in shares of Rs. 500 each, fully subscribed. The additional capital authorised is $7\frac{1}{4}$ crores in shares of Rs. 500 each, of which Rs. 125 has been called up, making the present capital of the Bank Rs. $11\frac{1}{4}$ crores, of which Rs. 5,62,50,000 will, on completion of the first call on the new shares, have been paid up. The reserve fund of the Bank is 3 crores 45 lakhs and on the 28th January 1921, the first balance sheet showed the Government balance at Rs. 7,96,50,000, other deposits at Rs. 76,43,40,000 and cash Rs. 27,04,85,000 with a percentage of cash to liabilities of 31.94.

The Imperial Bank of India Act follows the Presidency Banks Act of 1876 in defining absolutely the class of business in which the Bank may engage, though the older limitations are modified in some minor points. It permits for the first time the constitution of a London Office and the borrowing of money in England for the purpose of the Bank's business upon the security of assets of the Bank, but not the opening of cash credits,

keeping cash accounts or receiving deposits in London except from former customers of the Presidency Banks. The Act provides for an agreement between the Bank and the Secretary of State, and this agreement, which was signed on the 27th January 1921 and is for a period of ten years determinable thereafter by either party with one year's notice, provides, *inter alia*, for the following important matters :—

- (1) All the general banking business of the Government of India is to be carried out by the Imperial Bank.
- (2) The Bank will hold all the Treasury balances at Head-quarters and at its branches. This involves the abolition of the Reserve Treasury system.
- (3) Within five years the Bank undertakes to open 100 new branches, of which the Government of India may determine the location of one in four. It may be mentioned here that the branches and agencies of the three Presidency Banks prior to the date of amalgamation numbered 69, including the Colombo branch of the Bank of Madras. The Bank of Bengal had no branches prior to the proposal to transfer Government business to the Bank in 1861-62, but no less than 18 branches were established before 1868. The location of the existing branches of the Imperial Bank at the date of inauguration and the sites selected for the first 20 of the proposed new branches are shown in the map at the end of this volume.
- (4) The management of the Public Debt will continue to be conducted by the Bank for a specified remuneration.
- (5) The Bank is entitled to transfer its funds through Currency free of charge, and Government will discontinue the issue of currency transfers or supply bills to the public between any two places in which a Local Head Office or a branch of the Imperial Bank is situated. The Bank in return undertakes to give the public every facility for the transfer of money between its Local Head Quarters and branches at rates not exceeding such rates as the Controller of the Currency may by special or general direction approve.

The maximum rates approved by the Controller of the Currency, which are uniform throughout India and Burma, for all telegraphic transfers or drafts issued by the Bank are as follows :—

For amounts of Rs. 10,000 and over	1 anna per cent ;
For amount of Rs. 1,000 and over but less than Rs. 10,000	2 annas per cent ;
For amounts less than Rs. 1,000 the rates will be at the discretion of the Bank.	

At the same time the opportunity was taken to bring the rates for Government currency transfers and supply bills into line with the rates approved for the Bank, the rates previously having ranged from 1 to 2 annas between treasuries in the same province and from 2 to 4 annas between a treasury in one province and a Currency Office or treasury in another province.

Those who are interested in this important development of Indian banking will find a well-informed article on the Imperial Bank of India in the Economic Journal of June 1921 from the pen of Mr. H. F. Howard. I quote here the concluding paragraph of Mr. Howard's article :—

"It will no doubt be observed that the sphere and functions of the Imperial Bank of India do not coincide with those of a Central Bank under the strict definition of such an institution in countries where a highly developed banking system and a central discount market are in being. In such conditions the ideal to be followed in framing the constitution of a Central Bank is admittedly mainly that of a banker's bank, entrusted with the powers of the note issue, in addition to other Government business, but in various other respects strictly limited in its functions. But, as I trust I have shown, conditions in India have been such as to necessitate evolution on other lines. The problem to be met differs, for example, widely from that which faced the framers of the Federal Reserve system in the United States, where many thousands of banks were already in existence and where it remained merely to shape the keystone to fit the arch. In India the complete foundations have still to be properly laid and we have to build up from the base.

"It would be premature also to attempt to forecast the lines which banking development in India will now follow. As has been seen, the policy with regard to the administration of the note issue and of the London remittance business of the Government has been left for future decision. It is probable that, in the event, advance will, as elsewhere, continue to be guided by the forces of natural evolution and shaped by the customs and traditions which the new bank may be expected, as time goes on, to bring into being."

30. From the following statement, which shows the issue of telegraphic transfers from the various Currency circles for each month of the year, it will be noticed that the issue of such transfers has practically ceased since the 1st February. This is the natural result of the arrangement above described with the Imperial Bank for the movement of the Bank's funds through Currency, transfers by Government being limited to places where there is no branch of the Imperial Bank. There is ample evidence already to show that the greater convenience of the new arrangement is appreciated by Banks and business firms, many of whom have accounts current with the Imperial Bank and are thus enabled to remit their funds from place to place with greater expedition and less formality. It follows that the statement in the form given below appears for the last time in the report of the Controller of the Currency.

(In lakhs of rupees.)

Currency T. T. issued from Circle.	April.	May.	June.	July.	August.	September.	October.	November.	December.	January.	February.	March.	Total.
Calcutta	71	35	28	5	6	—	—	23	1,70	3,03	1	...	6,41
Cawnpore . . . . .	...	2	16	17	14	6	70	35	11	27	3	7	2,08
Lahore	54	33	32	49	69	44	83	66	42	31	...	...	5,03
Bombay	2,18	72	1,34	1,57	1,17	1,45	3,03	52	61	61	...	...	14,10
Karachi	46	49	19	68	65	63	65	65	50	62	...	...	5,84
Madras	20	1,53	1,98	30	13	...	41	45	26	60	...	...	5,86
Rangoon . . . . .	...	16	30	12	10	11	9	3	...	...	...	...	91
Total	4,09	3,60	4,57	3,38	2,94	2,98	6,64	2,88	3,60	5,44	4	7	40,23

Movement of funds
(a) through
Currency.

(b) through
Treasury and
Currency.

31. Statements IV and V show the total movements of funds through Government Agency, i.e., through Treasuries as well as through Currency offices, which in the year amounted to 87½ crores as compared with 107½ crores in the previous year. Statement IV shows the movements between provinces; these amounted to 55½ crores. The transactions within provinces are shown in Statement V and amounted to 3½ crores.

Clearing
House figures.

32. There was once more a large increase in the figures for clearances through the Clearing House, to which all centres contributed.

Clearing House Statistics.

(In lakhs of rupees.)

Year.	Calcutta.	Bombay.	Madras.	Karachi.	Rangoon.	TOTAL
1914-15 . . .	2,66,95	1,57,83	18,81	11,62	43,12	4,98,33
1915-16 . . .	3,52,36	1,77,18	20,21	14,09	39,50	6,03,34
1916-17 . . .	4,92,89	2,83,28	25,29	17,36	50,68	8,48,50
1917-18 . . .	5,24,00	3,83,53	23,01	22,17	52,86	10,06,47
1918-19 . . .	7,41,13	5,69,46	25,15	22,30	73,85	14,32,10
1919-20 . . .	10,55,76	8,53,02	33,95	23,13	94,74	20,90,60
1920-21 . . .	14,39,93	13,15,93	75,79	33,42	1,04,84	29,69,91

NOTE.—A new branch of the Clearing House was opened at Cawnpore in July, the value of the cheques cleared through this branch between July 1920 and March 1921 being 6,63 lakhs.

The figures are of course affected by the large payments made by cheques in connection with the Government loan, Treasury Bills, and sales of gold and of sterling drafts on London. These factors had such a preponderating influence in the present year that it is difficult to estimate the extent to which there has been an increased use of cheques for ordinary business transactions; and though there is little doubt that there has been a continuous development in this direction, it would be unsafe to draw any definite conclusion from the figures quoted. An increased use of cheques would naturally accompany the development, which in recent years has been rapid, of the habit of investment of rupee capital in commercial and industrial ventures. The following figures, which relate only to the Calcutta side, show the number, with the amount of paid-up capital, of rupee companies whose shares were quoted in the columns

of "Capital" in the second week of January 1901, 1911 and 1921 respectively.

	TEA.		JUTE.		COAL.		MISCELLANEOUS.	
	No. of Companies.	Paid-up Capital (in lakhs.)	No. of Companies.	Paid-up Capital (in lakhs.)	No. of Companies.	Paid-up Capital (in lakhs.)	No. of Companies.	Paid-up Capital (in lakhs.)
10th Jan. 1901 .	61	2,02	17	1.49	18	90	30	1,74
12th Jan. 1911 .	84	2,65	35	3,65	26	1,46	33	2,80
13th Jan. 1921 .	129	4,17	47	9,64	1,36	7,36	1,68	23,09

The figures for cotton mills registered in Bombay on the 31st March of the same three years are equally striking :

							(In lakhs)	
							No of Mills.	Paid up capital.
31st March 1901							50	4,25
" " 1911							157	11,50
" " 1921							192	18,10

33. Before concluding this section reference may be made to one of the methods which has been increasingly developed in recent years with a view to the economical handling of the Government balances, namely, the policy of establishing currency chests at sub-treasuries. This device enables the rapid transfer of surplus funds through Currency, especially during the seasons of heavy revenue collection, to the central Government balances and reduces the amount which has to be kept at outstations to meet the ordinary day-to-day treasury transactions, since a re-transfer of funds from the currency chest to treasury can, if required, be made at short notice. At the beginning of the year there were 342 such chests at sub-treasuries in addition to those maintained at district head-quarters and during the year 83 new chests were opened while 2 were closed. The average Government balance held at treasuries and sub-treasuries, other than those where the treasury business is managed by a branch of the Imperial Bank, was Rs. 6,80 lakhs in 1919-1920 and Rs. 6,25 lakhs in 1920-1921. In April 1921 the figure had been reduced to Rs. 5,65 lakhs and in May 1921 to Rs. 5,46 lakhs.

Establishment of
currency chests at
Sub-treasuries.

VI. Demand for the various forms of Currency.

Net absorption of
Currency by seasons
in each circle.

34. A general idea of the public's requirements of the different forms of currency will be obtained from the following statement, which sets out in the form originally adopted by Mr. M. F. Gauntlett in his report for the year 1912-13 the details of Currency transactions (excluding, that is, treasury transactions) in each circle during the busy and slack seasons.

(+ indicates absorption and — return from circulation.)

(In lakhs of rupees.)

Circles.	Seasons.		Rupees.	Notes.	Gold coin.	TOTAL.
Calcutta	Slack . . .	April to July . . .	+1,05	—3,20	—1,51	—3,66
	Busy . . .	August to October . . .	+65	+1,74	—2	+2,37
	Slack . . .	November to March . . .	+80	—2,38	—9	—1,67
	TOTAL . . .		+2,50	—3,84	—1,62	—2,96
Cawnpore	Busy . . .	April and May . . .	+1,40	+0	—5	+1,44
	Slack . . .	June to September . . .	—1,91	—95	—67	—3,53
	Busy . . .	October to March . . .	—92	—2,53	...	—3,45
	TOTAL . . .		—1,43	—3,30	—72	—5,54
Lahore	Busy . . .	April and May . . .	+11	+6	—3	+14
	Slack . . .	June and July . . .	—1,85	—2,20	—50	—4,55
	Busy . . .	August to March . . .	—3,74	+5,61	—2	+2,08
	TOTAL . . .		—5,48	+3,67	—55	—2,36
Bombay and Karachi	Busy . . .	April and May . . .	—2,43	—1,73	—35	—4,51
	Slack . . .	June to October . . .	—9,69	—45	—1,79	—11,93
	Busy . . .	November to March . . .	—18	+4,32	—65	+3,49
	TOTAL . . .		—12,30	+2,14	—2,79	—12,95
Madras	Busy . . .	April and May . . .	—1,16	—1,45	—63	—3,24
	Slack . . .	June to November . . .	—3,07	—1,84	—2,39	—8,20
	Busy . . .	December to March . . .	—2,02	+13	...	—1,89
	TOTAL . . .		—7,15	—3,16	—3,02	—13,33

(+ indicates absorption and — return from circulation--contd.)

(In lakhs of rupees.)

Circles.	Seasons.		Rupees.	Notes.	Gold coin.	TOTAL.
Rangoon	Busy	April	—3	—2,01	—4	—2,08
	Slack	May to August	—35	—2,40	—6	—2,80
	Busy	August to March	—1,43	+1,05	—1	+51
	TOTAL		—1,71	—2,55	—11	—4,37
	GRAND TOTAL		—25,57	—7,13	—8,51	—41,51

35. It is instructive to compare the figures relating to the principal busy seasons with the corresponding figures for the years 1912-13 and 1913-14, which were normal years.

(In lakhs of rupees.)

Calcutta--Jute Crop.

		Rupees.	Notes.	(August to October.)	
				Gold.	Total.
Include figures for } July. }	1912-13	13,70	—85	49	12,34
	1913-14	16,10	—1,71	24	14,63
	1920-21	65	1,74	—2	2,37

Rangoon—Rice Crop.

				(December to March.)	
				Gold.	Total.
1912-13 .	4,40	1,81		50	6,71
1913-14 .	2,75	3,37		46	5,58
1920-21 .	—1,43	1,95		—1	51

Bombay and Karachi—Cotton and Seeds and early wheat.

				(November to March.)	
				Gold.	Total.
1912-13 .	4,50	—1,67		2,25	5,08
1913-14 .	5,35	30		4,25	9,90
1920-21 .	—18	4,32		—65	3,49

Northern India—Spring Crops—Lahore and Cawnpore.

				(April to May.)	
				Gold.	Total.
Include figures for } June in Lahore } Circle. }	1912-13	5,90	—88	3,12	8,14
	1913-14	3,75	—15	2,03	5,63
	1920-21 .	1,51	15	—8	1,58

These figures disclose at once the falling-off all round in the demand for currency even in the so-called "busy" seasons. The small requirements for the jute and rice crops are most remarkable. The relative failure of the principal crops during the present year is no doubt the principal cause of the reduced demand, but another factor which has to be taken into account is that with the growing ability of the people to hold stocks the season for the various crops tends to grow longer each year and the demand for money is consequently spread over a longer period. This feature has been commented on by local officers in the wheat and jute growing districts and also in Burma. In the second place the figures show clearly the extent to which currency notes have supplanted rupees in the finance not only of the jute and rice crops but also of the cotton, seeds and wheat crops on the Bombay side. This conclusion is confirmed by the Provincial reports from all over India which bear testimony to the increasing popularity

of currency notes. The increased use of currency notes to finance the rice crop in Burma had already been noticed in 1912-13, but the extension of their use in financing the internal trade all over India is a more recent development. The third fact which emerges from these figures is the disuse of gold as currency. Prior to the war gold was being used to an increasing extent every year, especially in Northern India and Bombay. In the present year the sovereign has disappeared altogether from circulation. The bazaar price for the sovereign was throughout the year higher than its legal tender value, being at the close of the year about Rs. 18, and a revival of the use of sovereigns as currency cannot be looked for until the premium

Absorption of rupees,
notes and gold.

36. In the table which follows I give the monthly figures of absorption and return from circulation of rupees, currency notes and sovereigns. Last year's report noted that although a return of rupees from circulation had not definitely declared itself before the end of the year, there were at all events signs that this would not be long delayed. The return from circulation actually commenced in May; it was exceedingly heavy during the slack season, and continued even during the busy season from November to March. As a result of this the rupee holding in the Currency Reserve increased from 33,22 lakhs to 61,42 lakhs. The general slackness of trade is probably one of the principal factors which contributed to this remarkable return of rupees from circulation. We have also to take into account the increasing use of currency notes in place of coin. A third cause is undoubtedly the fact that as the bullion value of the rupee declined with the fall in the price of silver, there was a tendency for rupees to be replaced in hoards and as a store of value by gold purchased at the Government sales or by silver bullion. During the war rupees, in default of other material, were largely used as a store of value; subsequently they have been released from store and have returned to the hands of traders by whom they have been changed for business purposes into currency notes. This return of rupees from circulation is probably the largest that has ever occurred in any one year. It represents, however, only a small proportion of the absorption which took place during the preceding five years. The absorption during these five years aggregated 1,37,18 lakhs of rupees, the figures for the individual years being as follows :—

Absorption in lakhs of rupees.						
1915-16	.	.	.	.	.	10.10
1916-17	.	.	.	.	.	33.51
1917-18	.	.	.	.	.	27.86
1918-19	.	.	.	.	.	45.02
1919-20	.	.	.	.	.	20.09
Total						<u>1,37,18</u>

The reduction of the note circulation during the first half of the year was rendered possible by the receipts from the sales of sterling drafts on London. During the second half of the year, after these sales were discontinued, there has been a small though steady absorption of notes. The net reduction in the note circulation during the year was 7,13 lakhs.

The return from circulation of gold coin occurred principally in the period from May to July, £2½ millions being presented for exchange at the ratio of Rs. 15 during the period of the moratorium referred to in para-

graph 17. Later transactions were naturally small, since at the new ratio of Rs. 10 the sovereign was much undervalued.

(In lakhs of rupees.)

ABSORPTION + OR RETURN FROM CIRCULATION — OF				
	Rupees.	Notes.	Sovereigns.	TOTAL.
April	+ 53	—3,98	—33	—3,78
May	—1,90	—5,61	—1,86	—9,37
June	—4,13	—1,54	—1,99	—7,66
July	—4,92	+ 38	—3,74	—8,28
August	—4,89	—96	—5	—5,90
September	—2,84	—5,29	—5	—8,18
October	—1,35	+ 2,84	—4	+ 1,45
November	—55	—3	—29	—87
December	—1,11	+ 1,91	—2	+ 72
January	—1,90	+ 2,04	—41	—27
February	—1,16	+ 1,54	...	+ 38
March	—1,35	+ 1,57	—3	+ 19
TOTAL	—25,57	—7,13	—8,81	—41,51

37. The quantity of silver received at the Indian Mints between the 1st April and the 31st March 1921 was 3,200,106·71 standard ounces, of which 3,115,287·45 ounces came from the Bawdwin Mines in Burma and the remainder (84,819·26 ounces) from the Perth Mint in Australia. The rupee coinage during the year amounted to 341 lakhs, including 9 lakhs on account of recoinage of coins withdrawn from circulation. The balance (332 lakhs of rupees) involved the coinage of 12½ million ounces of standard silver. This new coinage took place during the first quarter of the year. Since then, coinage of new rupees, except from uncurrent coin, has been discontinued and is not likely to be resumed at present.

Coinage of silver.

VII.—The Note Circulation.

38. Statements XI to XVIII contain statistics of the note circulation. With the abolition of the Reserve Treasury system the distinction hitherto made between "gross" and "net" circulation automatically disappears. The statistics now exhibited distinguish simply between "gross" circulation and "active" circulation. The latter term means the amount of notes issued less those held (1) in Government treasuries and (2) in the local Head Offices of the Imperial Bank of India. The balance of notes held by the Imperial Bank at its Local Head Offices consists largely of high-value notes held by the Bank as its cash reserve. These clearly should be excluded from the active circulation. The balances held at branches of the Imperial Bank, however, normally consist of such an amount of notes only as is sufficient to provide for the ordinary current transactions of the Bank, and the tendency will be for these balances to be reduced to lower figures in view of the facilities which the Bank enjoys for obtaining transfers through Currency. The notes held at branches are therefore legitimately treated as in circulation and are included in the figures of active circulation. This procedure has the additional advantage of maintaining continuity with previous statistics.

It should be noted, however, that as the Imperial Bank extends its branches and takes over more and more of the Government treasuries, the active circulation will show a gradual increase, since the amount of notes held in Government treasuries will decrease; but this will be a gradual process, and though the statistics five or six years hence will not be strictly comparable with those now, the difference will represent in a way the actual facts, namely, that notes held in Government treasuries have been transferred to a Bank where they are actually used for current transactions.

The table below compares the gross and active circulations on the 31st March, and also the average for the year, with the corresponding figures for previous years:—

(In lakhs of rupees.)

Year.	CIRCULATION ON 31ST MARCH.		AVERAGE CIRCULATION.		Increase in average active circulation.
	Gross.	Active.	Gross.	Active.	
1904-05	39,18	28,46	39,20	28,11	
1909-10	54,41	39,98	49,66	37,21	+ 9,10*
1910-11	54,99	40,17	51,35	38,75	+ 1,64
1911-12	61,36	44,61	57,37	41,89	+ 3,14
1912-13	68,98	47,32	65,62	45,39	+ 3,50
1913-14	66,12	49,97	65,55	46,63	+ 1,24
1914-15	61,63	43,96	64,04	45,43	- 1,20
1915-16	67,73	53,19	64,10	48,08	+ 2,65
1916-17	86,37	67,08	76,14	59,36	+ 11,28
1917-18	99,79	84,30	1,01,77	71,87	+ 12,51
1918-19	1,53,46	1,33,58	1,33,20	1,13,84	+ 41,97
1919-20	1,74,52	1,53,78	1,71,68	1,51,10	+ 37,26
1920-21	1,66,16	1,47,88	1,68,51	1,38,88	- 12,22

* Represents 5 years' increase.

The gross circulation, which stood at Rs. 1,74,52 lakhs at the commencement of the year, continued to shrink until the end of September when it stood at Rs. 1,57,63 lakhs. The decrease was due to the return of notes in payment for gold held in the Paper Currency Reserve and sold to the public and in payment for sterling drafts which were met from the invested portion of the Reserve in London. After the discontinuance of the sales of gold and of sterling drafts, the gross circulation increased steadily until at the end of the year it reached the figure of Rs. 1,66,16 lakhs.

The course of the active circulation was roughly similar, the lowest figure (Rs. 1,27,73 lakhs) being reached at the end of August. The subsequent increase was proportionately more rapid and the year closed with a figure of Rs. 1,47,88 lakhs as against Rs. 1,53,78 lakhs at the end of the preceding year.

The distribution of notes by circles was more irregular than in the preceding year, Rangoon, Karachi and Cawnpore showing an increase and Calcutta, Bombay, Madras and Lahore a decrease. Taking the year as a whole, Calcutta with an average circulation of Rs. 50,40 lakhs retained the lead over the Western Presidency which it had established in the previous year, the Bombay figure being Rs. 48,34 lakhs. The circulation in the Rangoon circle (Rs. 18,16 lakhs) was approximately double that of the year 1918-19 although it was less than 6 per cent. above that of 1919-20. The

largest proportionate increase in the present year (25·6 per cent.) was in Karachi.

39. The details given in Statement XVI, indicate the relative popularity of the different denominations of notes. For the purpose of this statement the Rs. 10,000 notes, which do not enter into active circulation, are excluded. Character of the note circulation.

Taking the figures for India as a whole, the Rs. 10 and Rs. 100 values have consistently maintained their popularity, the percentages as compared with the total circulation, *viz.*, 35·5 and 31·9, showing only a small variation over a period of years. The five-rupee note has shown a steadily increasing percentage from 6·8 in 1918-19 and 7·4 in 1919-20 to 9·5 in the present year. The one-rupee note has declined from 8·7 to 5·4. This, however, was to be expected and is no real evidence that the one-rupee note is losing its popularity. It is due to the fact that whereas in the previous year, owing to the restrictions on the encashment of notes in force at the treasuries, one-rupee notes had to be used almost universally for small every day transactions, these restrictions have been withdrawn in the present year and payments have been made at treasuries in whatever currency the payee desired. It is remarkable that in spite of this the decline in the circulation of the one-rupee note is so small. There was a large demand for the one-rupee notes in booklet form, which could not be fully met because the quantity available was insufficient to allow of their supply to all treasuries. The Rs. 2-8 notes on the other hand have a very limited circulation and have never been popular.

Statement XVI gives similar details of the circulation of the different denominations of notes in the various circles. These figures, however, require to be used with caution because the method of calculation adopted in the Currency accounts leads to some curious anomalies. In the first place no issue registers have been maintained since June 1919 for notes of the one-rupee, Rs. 2-8, Rs. 5 and Rs. 10 denominations. Such notes are treated as cancelled when presented irrespective of the circle from which they may have been issued and they thus decrease the circulation balance of the receiving circle. Again, universal notes of the Rs. 50 or Rs. 100 denominations are occasionally remitted from one circle to another in order to replenish stocks; the accounts of the issuing circle show the notes as issued to the public and those of the receiving circle show the notes as received from the public, thus increasing and decreasing respectively their circulation balance. This anomaly is not rectified in the accounts of the receiving circle until the notes are actually issued to the public and in the remitting circle till they are again received back from the public and cancelled. A third source of error of a temporary character is that Rs. 50 and Rs. 100 notes when received at currency chests from the public are in the first instance treated as withdrawn from the circulation of the receiving circle, although they may have issued from other circles. This practice accounts for the minus figure which usually appears in the column for Rs. 50 notes in the Madras circle, because large numbers of these notes are despatched to the northern Madras districts, particularly from Bombay, and are received and cancelled in Madras. This error is ultimately rectified when the notes are returned to the currency office. Subject then to these qualifications we may note that in the Calcutta circle the Rs. 10 notes represent 55 per cent. of the circulation. They are largely used for remittance to the jute districts. On the other hand the Calcutta circulation Rs. 5 notes is the smallest and one-rupee notes have a smaller circulation

there and in Bombay than in the other circles. The Cawnpore circle on the other hand has the largest circulation of one-rupee and five-rupee notes. In Lahore and in Madras the Rs. 100 notes provide the largest part of the circulation. The percentage of these notes in Madras, where they are largely used by the Banks in connection with trade remittances, is as high as 72·1. In Rangoon ten-rupee notes are very largely used in finance of the rice crop, and in contrast to Calcutta, five-rupee notes and one-rupee notes have also a considerable circulation.

**Encashment at
Treasuries.**

40. In the course of the present year the facilities for cashing notes at treasuries, which had been curtailed during the later years of the war, were restored. A statement showing the classification of treasuries according to the encashment of notes is included in the Appendices to this report. The statistics of treasury transactions, given in the following table, show that there was a marked increase in the amount of notes issued to the public in exchange for silver and an increase in the exchange of notes for notes of other values. There was however little increase in the receipts of notes from the public in exchange for silver and a marked decrease in the amount of notes received in payment of Government dues. This latter feature can be explained mainly by the greater use of rupees in payment of Government dues. Another new factor tending in the same direction was the additional facilities allowed by Government for payment of Government dues by cheque. Such facilities previously existed in varying degrees in certain centres, but in January 1920 Government announced that at all places where the treasury business is conducted by a branch of a Presidency Bank, cheques on banks which have clearing accounts with the Presidency Banks (now the Imperial Bank of India) would be accepted in payment of Government dues or in settlement of other transactions.

(In lakhs of rupees.)

RECEIPTS FROM PUBLIC.					ISSUES TO PUBLIC.			
Year.	In pay- ment of dues to Govern- ment.	For silver.	In ex- change of notes of other values.	Total.	In pay- ment of dues by Govern- ment.	For silver.	In ex- change of notes of other values.	Total.
1912-13	25,99	4,34	1,68	32,01	17,41	5,96	1,68	25,05
1913-14	27,16	4,02	1,55	32,73	19,08	6,61	1,55	27,24
1914-15	26,41	5,86	1,77	34,04	21,92	8,53	1,77	32,22
1915-16	33,16	8,89	2,44	44,49	25,06	8,60	2,44	36,10
1916-17	42,44	14,17	3,02	59,63	31,31	10,22	3,02	44,55
1917-18	51,79	13,68	3,13	68,60	39,74	12,02	3,13	54,89
1918-19	86,71	8,72	8,75	1,04,18	85,82	8,15	8,75	1,02,22
1919-20	1,07,37	6,21	13,50	1,27,08	1,08,91	7,50	13,50	1,24,91
1920-21	94,99	6,43	15,17	1,16,59	1,02,30	12,35	15,17	1,29,82

41. In the table which follows the mean circulation for the year of the different denominations of notes is compared with the total number of cancellations. The ratio of circulation to cancellation (taken to two places of decimals) is a rough measure of the life of each denomination. Life of Currency notes.

(In thousands of pieces)

	Re. 1	Rs. 2-8	Rs. 5	Rs. 10	Rs. 50	Rs. 100	Rs. 500	Rs. 1,000	Rs. 10,000
Total cancellation	223,366	7,613	32,136	51,451	2,044	11,290	213	905	72
Mean circulation	115,063	3,170	25,499	53,696	573	4,880	51	170	19
Ratio of circulation to cancellation	·51	·42	·79	1·04	·43	·43	·24	·19	·26
<i>Corresponding Ratio.</i>									
1919-20	·65	·56	·79	·97	·56	·48	·19	·18	·24
1918-19	·73	·52	2·34	2·6	·82	·52	·19	·18	·24
<i>Average of five years ending with</i>									
1917-18	...	...	·67	·71	·47	·33	·26	·14	·19
1912-13	...	...	·65	·81	·44	·36	·28	·16	·20

VIII.—Miscellaneous matters connected with Currency notes and coinage.

42. There was a further considerable increase in the number of forged notes received during the year in the various Currency Offices, the total being 4,597 pieces against 1,174 and 1,896 in the two previous years. Of this total 2,033 were of the one-rupee denomination, 36 of the Rs. 2½, 1,743 of the five-rupee, 382 of the ten-rupee, 75 of the fifty rupee, 327 of the Rs. 100 and one of the Rs. 1,000 denomination.

Note forgeries.

As in the previous year, by far the largest number of the forgeries of the one rupee note made their appearance in the Calcutta and Rangoon circles, these two circles being responsible for 1,962 out of the total of 2,033 pieces received in all circles. Apart from isolated specimens of hand drawn forgeries belonging to a number of different series, the bulk of the Re. 1 forgeries in the Calcutta circle were process-made. The most important were those of the M/13 and E/53 series. The forgeries of the M/13 series made their appearance during the preceding year and were noticed in last year's report. Those of the E/53 series were new and were passable imitations, apparently struck from blocks on paper of a fairly good quality bearing imitation water-marks. The serial letters at the top and bottom were somewhat thicker than on a genuine note. The notes received in the Rangoon circle were mostly old forgeries of the R/5 and E/4 series.

The forgeries of the Rs. 2½ denomination were, with few exceptions, clumsy imitations.

The forgeries of the Rs. 5 denomination appeared in the largest number in the Calcutta, Lahore and Bombay circles. A large proportion of these belonged to the FC/15 series, of which mention was made in last year's report. The persons who were arrested last year at Nowshera in connection with these forgeries were tried and convicted under section 489 (d) of the Indian Penal Code by the Additional Sessions Judge of Peshawar, but the judgment was reversed and the sentence remitted on appeal. It is now suspected that the forgeries were the work of a higher organisation and the matter is under further investigation. The clever forgeries which have been previously reported of the YB/33, YB/34, LC/60 and LC/61 series continued to be received in many of the Currency Offices, though not in such large numbers as in the previous year. Of the new five-rupee note forgeries those of the RC/61 series, which were received in large numbers in the Calcutta Currency Office, were passable imitations apparently made by the lithographic process on ordinary paper without water-marks. The black ink printing was rather faint and clumsy, while the red ink colouring was duller than on a genuine note. Immediately after the close of the year an arrest was made in Howrah in connection with the forgeries of the RC/61 series and the case is now under enquiry.

A large number of the new forgeries of the Rs. 10 denomination consisted of hand drawn specimens, often mere pen and ink sketches, belonging to different series. Among the process-made forgeries, mention may be made of those of the AC/59 series which appeared in the Calcutta circle. The forgery was struck from metal blocks on ordinary paper with imitation water-marks. The red ink colouring was fainter than on a genuine note; the serial letters, numbers and the black medallions were somewhat blurred, but the signature was a fair imitation. The forgeries of the QD/90 series, which appeared in some numbers in the Rangoon circle, were executed by the lithographic process on thin paper with imitation water-marks. The serial letters and numbers were unevenly printed and were thicker than on a genuine note. The date on the notes was different from that on genuine notes of the same series.

The Rs. 50 note forgeries were confined chiefly to the Bombay and Karachi circles. None of them were notable for neatness of execution.

A successful class of forgeries of the Rs. 100 denomination which was brought to light during the year was that of the WC/16 series and of the WC/26, ZC/95, ZC/96 and ZC/97 series. The first specimens of the forgery appeared in the Bombay circle last winter but it seems to have been widely circulated in a short time and soon made its appearance in various other circles. The notes were struck from blocks on somewhat thin paper bearing imitation water-marks. The green ink colouring in some specimens was deeper and in others lighter than on a genuine note. The black ink medallions on the two sides, though neatly executed, were different from those on a genuine note. The letters "I promise to pay etc." and the signature were cleverly imitated. The forgeries were on the whole very well executed. A special investigation is being made with a view to the discovery of the authors of these forgeries.

Apart from the case mentioned above of the forgeries of the FC/15 series, there were altogether 17 prosecutions undertaken during the year in connection with forged notes, of which 9 resulted in conviction of the accused.

43. The figures below show the number of wholly destroyed, half and mutilated notes, in respect of which claims were admitted during the year 1920-21 and the three preceding years :—

	1917-18.	1918-19.	1919-20.	1920-21.
Whole notes destroyed	88	206	158	111
Half notes { Lost by post	462	482	740	1,720
{ Lost otherwise	1,030	1,217	1,804	2,691
Mutilated notes	1,506	1,741	1,807	2,399

The value of notes written off to Government during the year under section 19 of Act II of 1910 amounted to Rs. 44,360 as compared with Rs. 66,740, Rs. 81,755 and Rs. 65,630 in the three years 1917-18, 1918-19 and 1919-20.

44. The total value of withdrawn coins amounted to 93½ lakhs against 49½ lakhs in 1919-20. The details are as shown in the statement below. The increase is accounted for by the much larger receipts of silver coin in Government treasuries which underwent examination during the year.

Province.	IN THOUSANDS OF RUPEES.				
	1835	1840	1911	Shroff marked.	Other uncurrent.
1	2	3	4	5	6
India	33	3,49	4	1	15,39
North-West Frontier Province	2	13	...	...	...
Madras	20	3,37	3	...	25,92
Bombay	28	5,75	...	1	4,95
Bengal	23	1,39	...	...	98
United Provinces	68	7,82	1	11	6,19
Punjab	51	5,18	...	...	3,49
Burma	2	17	1	...	1,78
Bihar and Orissa	22	2,17	...	...	1,29
Central Provinces	4	1,10	...	...	13
Assam	3	21	...	...	9
TOTAL	2,56	30,78	9	13	60,21*

The total includes worn small silver coins to the value of Rs. 11,04.

The following table shows the number of light weight coins withdrawn or remitted to the Mints during the year :—

	NUMBER OF COINS REDUCED IN WEIGHT.				
	WHOLE RUPEES.		SMALL SILVER COINS.		ALL SILVER COINS.
	Over 2 per cent. but not more than 6½ per cent.	Over 6½ per cent. but not more than 25 per cent.	Over 2 per cent. but not more than 12½ per cent.	Over 12½ per cent. but not more than 25 per cent.	Over 25 per cent.
1	2	3	4	5	6
Rupees	2,556,050	10,752	...	...	5,415
Half Rupees . . . .	...	...	319,700	2,795	221
Quarter Rupees . . . .	...	...	...	235,641	275
Eighth Rupees . . . .	...	...	...	286,628	402
TOTAL	2,556,050	10,752	319,700	525,064	6,313

Grand Total 1920-21	3,417,879
Do. 1919-20	1,476,029
Do. 1918-19	1,929,888
Do. 1917-18	4,624,449
Do. 1916-17	5,120,259
Do. 1915-16	5,186,353

False coinage.

45. Information regarding the counterfeit silver coins which came to light during the year will be found in the review of the reports of the working of the Mints in Bombay and Calcutta.

Absorption of small silver, nickel and bronze.

46. In Statement XX will be found figures for absorption of small coin. It follows last year's precedent in including the 8-anna nickel coin, which has legal tender character up to Re. 1 only, and in showing separately the silver and nickel coins of the four-anna and two-anna denominations.

The coinage during the year of nickel coins consisted of Rs. 5 lakhs of 8-annas, Rs. 36 lakhs of 4-annas, Rs. 8½ lakhs of two annas and Rs. 5½ lakhs of one-anna pieces. The absorption during the year amounted to Rs. 2½ lakhs of 8-anna pieces, Rs. 43 lakhs of 4-annas and Rs. 2½ lakhs of 2-annas. There was a return from circulation of one-anna nickel pieces amounting to Rs. 12½ lakhs, in striking contrast to the absorption in the previous year of Rs. 44 lakhs. There was also a large return from circulation during the year of 4-anna and 2-anna silver pieces, amounting to Rs. 52 lakhs and Rs. 26 lakhs respectively. There was also a small return from circulation of single pice. The demand therefore for small coin will be seen to have been greatly reduced during the present year.

In view of the successful counterfeits of the 8-anna nickel coin which have appeared, no further issues are being made of this coin. The total amount of counterfeit nickel coins cut at treasuries and railway stations during the year amounted to 12,026 of the 8-anna, 9,653 of the 4-anna, 18,588 of the 2-anna and 18,113 of the one-anna denomination. An exceptionally large number of these counterfeit nickel coins were found in

Sind. Experiments are still in progress with a view to the discovery of a more suitable material than the cupro-nickel employed at present.

The table below summarises the details of the absorption of small coin contained in Statement XX and gives also the corresponding figures for the years from 1912-13 onwards (a *minus* sign indicating a return from circulation):—

[In thousands of rupees.]

Year.	Eight-anna pieces.	Four-anna pieces.	Two-anna pieces.	One-anna pieces.	Single pice.	TOTAL.
1912-13 . . . .	...	25,72	19,53	23,76	16,51	85,52
1913-14 . . . .	...	15,38	12,89	19,91	7,95	56,13
1914-15 . . . .	...	—10,23	—4,63	6,87	—12,57	—20,56
1915-16 . . . .	...	8,33	7,44	18,60	2,06	36,43
1916-17 . . . .	...	32,99	23,17	32,5	8,59	97,25
1917-18 . . . .	...	38,11	28,53	25,86	6,15	98,65
1918-19 . . . .	...	1,17,02	93,21	55,46	23,92	2,89,61
1919-20	14,73	88,15	60,33	44,05	21,18	228,44
1920-21	2,60	—9,31	—23,24	—12,82	—2,22	—44,99

47. Statement XXI gives the usual details of the receipts and expenditure of the Currency Department for the year 1920-21. The receipts, it will be seen, decreased from Rs. 4,14,22,811 to Rs. 1,97,21,305. This is due mainly to the sale of sterling securities in England, which from £45,552,000 at the beginning of the year were reduced to £8,466,000 at the end, and also to the conversion of the interest realised in England at Rs. 10 to the pound instead of at Rs. 15 as in previous years.

I have the honour to be,

SIR,

Your most obedient servant,

A. C. McWATERS,

Controller of the Currency.

2nd September 1921.

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STATEMENT I.

Statement showing the Treasury balances in India on the first day of each month during 1919-20 and 1920-21 and their distribution.

[In thousands of rupees.]

	April.	May.	June.	July.	August.	September.	October.	November.	December.	January.	February.	March.	March closing balance.
1919-20.													
Reserve Treasuries	3,57,59	1,07,09	54,44	55,73	96,15	88,89	1,11,56	1,25,32	1,13,62	63,55	4,14,82	3,44,09	1,55,56
Presidency Banks (Head Offices).	11,81,29	0,51,24	5,43,32	5,06,66	4,11,28	6,10,59	4,16,64	8,50,51	9,36,32	4,29,23	3,57,25	14,57,57	13,65,69
District Treasuries	10,57,93	0,09,29	10,24,25	10,57,45	10,48,49	9,79,07	8,90,19	8,97,20	9,03,44	9,13,66	1,43,74	11,11,91	11,26,35
TOTAL	25,96,81	1,67,62	16,22,01	16,49,64	15,55,92	16,78,85	14,18,41	18,73,03	9,53,38	4,06,44	29,15,31	29,13,57	26,47,60
1920-21.													
Reserve Treasuries	1,55,56	1,73,33	3,59,76	2,63,19	1,67,77	2,21,34	1,84,47	97,54	1,58,02	79,80	72,59		
Presidency Banks (Head Offices).	13,65,69	13,47,11	14,72,87	13,75,43	17,38,26	14,26,05	13,78,92	10,10,87	3,94,47	6,10,22	3,02,96	5,84,98	(a) 6,40,71
District Treasuries	11,26,35	10,14,35	10,13,29	9,35,54	9,70,15	9,31,71	8,57,26	7,87,53	7,76,91	8,25,39	9,68,12	6,14,17	7,46,94
TOTAL	26,47,60	25,39,79	28,45,92	25,74,16	28,76,18	25,79,10	24,20,65	18,95,94	13,29,40	15,15,43	13,43,67	11,99,15	13,87,65
Difference	+ 50,79	+ 3,72,17	+ 12,23,91	+ 9,24,32	+ 13,20,26	+ 9,00,25	+ 10,02,24	+ 22,9	- 6,23,98	+ 1,09,04	- 15,71,64	- 17,14,42	- 12,59,96

(a) Balances held with the Imperial Bank at the local head offices and branches.

STATEMENT

Cash transactions of the Secretary of State under the more important heads close of

	1911-12.	1912-13.	1913-14.
1. Net Debt incurred (a).	78,903	—3,477,600	—1,781,200
2. Gold Standard Reserve— Net receipt of interest (b) .	498,882	517,725	575,061
3. Remittances—			
(i) Councils	27,058,549	25,759,706	31,200,827
(ii) Gold: (a) Treasury		327,501	453,024
(b) Paper Currency		1,600,000	
(c) G.S. Reserve			
4. Net Capital deposited by Railway Companies—			
(i) Companies working purchased Railways .			
(ii) Other Companies	—40,000	495,000	4,552,788
5. Purchase and sale of wheat . . . . .	...	...	...
6. Postal and money order transactions	839,304	1,000,511	1,196,545
7. War Transactions (Net) . . . . .	...	...	...
8. Other Miscellaneous transactions	—261,697	—354,340	—450,745
9. Opening balances on 1st April—			
(i) Treasury	16,696,991	18,390,013	8,783,970
(ii) Paper Currency Reserve { Securities	1,333,333	2,666,666	2,666,666
{ Gold	5,045,000	5,700,000	6,100,000
(iii) Gold Standard Reserve { Securities	15,851,786	16,748,085	16,906,561
{ Gold (d)	1,477,358	1,073,710	2,625,664
(iv) Special Reserve—Securities			
TOTAL	68,578,409	70,446,977	72,829,161
10. Net charges against revenue	18,865,246	19,302,292	19,455,055
11. India's Financial contribution to the war (c) .	...	...	...
12. Capital Outlay	2,310,197	2,577,434	3,111,960
13. of Companies—			
(i) Working purchased Railways	2,152,576	3,449,179	4,956,669
(ii) Other Companies	671,916	976,592	1,787,480
14. Purchase of { (a) Direct purchase by Secy. of State		7,058,610	4,528,056
Silver. { (b) Purchase under the Pittman Act			
15. Purchase of gold			
16. Payment of sterling bills on London			
17. Purchase and sale of wheat			
18. Closing balances—on 31st March—			
(i) Treasury	18,390,013	8,783,970	8,132,770
(ii) Paper Currency Reserve { Securities	2,666,666	2,666,666	2,666,666
{ Gold	5,700,000	6,100,000	6,100,000
(iii) Gold Standard Reserve { Securities	16,748,085	16,906,561	17,745,543
{ Gold (d)	1,073,710	2,625,664	4,344,962
(iv) Special Reserve—Securities			
TOTAL	68,578,409	70,446,977	72,829,161

(a) The figures for net debt incurred include the amounts raised

(b) i.e., excluding loss on sale of investments.

(c) In addition, £22,716,000 British Government 5 per cent War

(d) Includes amounts placed by the Secretary of State for India

* Represents cost price of the securities.

II.

for the years from 1911-12 onwards and the cash balances held by him at the each year.

1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
6,500,000	—909,000	—7,500,000	—500,163	—500,000	...	
467,969	569,985	794,742	1,700,565	1,356,208	1,615,804	2,260,641
7,748,111	20,354,517	32,998,095	34,880,682	20,946,314	31,226,210	
604,754	2,000,000	...	...	...	...
...	...	—3,500,000	—4,000,000	—3,67,609	—82,391	
...	
2,325,244	3,459,580	...	...	...	...
1,557,337	—375,200	—75,000	—1,082,500	—1,531,900	—453,000	—492,000
...	6,303,881	82,674	75	...	...	104,794
522,626	654,897	922,386	6,335,259	3,621,439	—281,327	—9,315,008
8,685,936	14,250,593	33,195,313	61,994,298	82,879,627	58,236,237	52,078,292
—481,606	—119,551	3,825,206	7,899,619	4,693,187	3,332,417	—1,554,715
8,132,770	7,904,914	7,010,717	5,390,537	10,624,918	8,700,155	11,996,842
2,666,666	2,666,666	6,666,962	25,661,280	34,319,252	54,998,953	44,849,864
6,100,000	5,100,000	7,950,000	4,450,000	450,000	82,391	2,298,129
17,745,543	13,168,219	16,731,053	25,652,457	28,776,725	29,848,332	37,117,350
4,344,962	1,258,322	5,792,631	6,001,456	6,000,499	6,015,672	551
...	...	...	...	20,000,309	6,939,612	
66,940,312	76,287,822	104,894,679	174,383,565	211,268,969	200,179,074	139,339,740
19,525,856	19,403,940	20,268,182	24,016,010	20,400,499	21,791,489	23,190,896
...	...	...	35,073,000	33,415,000	8,796,000	...
2,531,784	899,042	347,475	446,182	634,694	3,117,802	4,006,113
4,567,397	2,047,140	654,950	885,259	871,953	5,623,114	13,796,846
1,513,292	642,638	320,557	299,399	540,043	3,390,677	...
—3,138	983,200	16,093,978	18,492,012	19,648,698	4,609,020	70,362
...	...	...	...	24,037,967	2,397,332	...
8,707,000	...	...	...	...	27,671,149	6,725,696
...	4,893,000	...	...	5,135,000	23,935,000	31,777,009
...	3,267,499	53,807	...	...	2,584,749	...
7,904,914	7,010,717	5,390,537	10,624,918	8,700,155	11,996,842	7,265,265
2,666,666	6,666,962	25,661,280	34,319,252	54,998,953	44,849,864	8,348,386*
5,100,000	7,950,000	4,450,000	450,000	82,391	2,293,129	...
13,168,219	16,731,053	25,652,457	28,776,725	20,848,332	37,117,350	39,154,291*
1,258,322	5,792,631	6,001,456	6,000,499	6,015,672	551	4,883
...	...	...	20,000,309	6,939,612	...	...
66,940,312	76,287,822	104,894,679	174,383,565	211,268,969	200,179,074	139,339,740

to pay off certain Railway obligations and applied to that purpose.

Loan (1929-47) taken over by India.
in Council at short notice.

STATEMENT III.

Composition of the Currency Reserve held against the note circulation at the end of each month.

(In lakhs of rupees.)

COIN AND BULLION RESERVE.

MONTH.	Gross circula- tion.	Silver coin in India	Gold coin and bullion in India.	Silver bullion under coinage.	Gold coin and bullion in England.	Silver bullion in Eng- land.	Gold coin and bullion in His Majes- ty's Domi- nions.	Gold coin and bullion in transit between India and England and His Majesty's Dominions.	Silver bullion in transit between India and England, U. S. A. and His Majesty's Dominions.	SECU- RITIES.
April 1920 .	1,70,74	33,81	45,38	5,56			95	...	...	85,04
May „ .	1,66,92	37,10	42,86	4,26				75	...	81,95
June „ .	1,64,34	41,94	43,46	3,61	20				...	72,83
July „ .	1,63,87	46,75	44,62	3,61					...	68,89
August „ .	1,63,27	51,62	39,12	3,67					...	68,86
September „ .	1,57,63	54,34	36,15	3,72					...	63,42
October „ .	1,59,58	55,60	23,75	3,81					...	76,42
November „ .	1,60,21	56,05		3,86					...	76,42
December „ .	1,61,40	57,13	23,89	3,96					...	76,42
January 1921 .	1,63,41	58,95	24,00	4,04					...	76,42
February „ .	1,64,60	60,03	24,06	4,09					...	76,42
March „ .	1,66,16	61,42	24,17	4,15					...	76,42*

* For details of securities see next page.

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Distribution of the Metallic Reserve on the 31st March 1921 by Circles.

CIRCLE.	Silver coin in India.	Gold coin and bullion in India.	Silver bullion under coinage.	Gold and bullion in transit between India and England, and His Majesty's Dominions.
	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>
At Calcutta	7,11,35,862	5,00,01,657	3,74,71,520	...
„ Cawnpore	10,72,54,194	1,04,04,340	...	...
„ Lahore	7,75,88,507	1,33,55,720	...	...
„ Bombay	20,72,76,622	13,72,97,939	39,75,512	...
„ Karachi	1,38,64,857	18,62,485	...	...
„ Madras	8,59,00,024	2,48,46,975	...	...
„ Rangoon	5,11,90,018	39,43,910	...	...
TOTAL .	61,42,09,884	24,17,13,026	4,14,47,032	...

* Made up of :—

	Nominal Value. <i>R</i>	Cost price. <i>R</i> <i>a.</i> <i>p.</i>
In rupee securities—		
3½ per cent. loan of 1842-43 .	8,15,95,000	8,00,00,000 0 0
3 per cent. loan of 1896-97 .	2,04,86,500	1,99,99,945 10 0
	10,20,81,500	9,99,99,945 10 0
Indian Treasury Bills . . .	61,26,00,000	58,07,16,000 0 0
	71,46,81,500	68,07,15,945 10 0
In sterling securities—	<i>£</i> <i>s.</i> <i>d.</i>	<i>£</i> <i>s.</i> <i>d.</i>
British Treasury Bills . .	8,466,000 0 0	8,348,385 19 4
	8,466,000 0 0	8,348,385 19 4

STATEMENT IV.

Payments by Government on account of Transfers of Funds effected by the Public between Provinces during the year 1920-21.

(In thousands of rupees).

	1ST QUARTER										2ND QUARTER										3RD QUARTER			
	ON ACCOUNT OF										ON ACCOUNT OF										ON ACCOUNT OF			
	India and Ben- gal.	Madras.	Bombay.	United Provinces.	Punjab.	Burma.	Bihar and Orissa.	Central Provin- ces and Bevar.	Assam.	TOTAL.	India and Ben- gal.	Madras.	Bombay.	United Provinces.	Punjab.	Burma.	Bihar and Orissa.	Central Provin- ces and Bevar.	Assam.	TOTAL.	India and Ben- gal.	Madras.	Bombay.	United Provinces.
India and Bengal.	...	4,27,18	2,27,10	9,54	44,50	2,25	6,00	11,02	10,53	7,35,21	...	3,07,65	4,57,20	15,66	56,38	10,00	16,40	11,01	9,20	5,82,50	...	1,00,61	4,37,31	76,51
Madras.	4,00	...	1,25,42	...	...	...	...	...	...	1,20,42	6,50	...	40,75	1,00	50	...	...	...	...	40,65	1,32	...	95,05	...
Bombay.	2,01,91	93,50	...	15,50	1,58,87	44,80	...	1,76	1	5,16,44	96,68	23,92	...	23,62	2,13,11	23,75	...	2,40	...	3,68,57	1,25,87	13,47	...	50,60
United Provinces	22,28	...	53,95	...	7,51	...	...	...	...	81,04	5,67	...	60	...	2,00	...	5	...	2	6,34	25	...	5,25	...
Punjab	81	...	10,05	30	...	...	...	...	...	11,16	50	...	7,75	44	...	...	...	...	...	8,69	63	...	12,00	15
Burma	17,00	12,00	70,00	...	...	...	...	...	...	99,00	...	...	62,00	...	...	...	...	...	...	62,00	40,80	2,00	27,00	...
Bihar and Orissa.	30	...	...	...	...	...	...	...	...	30	1,30	...	...	2	...	...	...	...	...	1,32	300	...	...	...
Central Provinces	5,00	...	71,00	...	...	...	...	...	...	76,00	...	...	11,00	...	...	...	...	...	...	11,00	35,00	...	71,68	...
Assam	14,50	...	...	...	...	...	...	...	...	14,50	15,10	...	...	...	...	...	...	...	...	15,10	18,05	...	...	...
TOTAL.	2,85,80	5,32,68	5,57,53	25,43	2,11,27	47,05	6,00	12,79	10,54	16,60,07	1,25,75	3,31,57	5,78,30	45,64	2,71,99	33,75	16,45	18,50	8,22	15,27,17	2,34,01	1,16,08	6,98,79	1,27,26

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(In thousands of rupees).

	3RD QUARTER						4TH QUARTER								TOTAL											
	ON ACCOUNT OF						ON ACCOUNT OF								ON ACCOUNT OF											
	Punjab.	Burma.	Bihar and Orissa.	Central Provinces and Berar.	Assam.	TOTAL.	India and Bengal.	Madras.	Bombay.	United Provinces.	Punjab.	Burma.	Bihar and Orissa.	Central Provinces and Berar.	Assam.	TOTAL.	India and Bengal.	Madras.	Bombay.	United Provinces.	Punjab.	Burma.	Bihar and Orissa.	Central Provinces and Berar.	Assam.	TOTAL.
India and Bengal.	82,87	7,00	8,90	3	7,72	7,71,85	...	56,55	29,90	21,40	7,702	...	11,80	2	7,43	1,54,97	...	5,92,02	12,02,01	1,23,11	2,11,34	19,25	43,19	22,06	33,93	25,46,93
Madras.	...	...	...	...	...	96,37	...	...	12,05	...	...	...	...	...	...	12,05	11,82	...	2,73,27	1,90	60	...	...	...	...	2,87,40
Bombay.	1,74,41	4,50	1,79	1,34	13	3,72,11	67,65	8,60	...	35,05	66,92	...	5	3	2	1,65,32	4,92,11	1,39,40	...	1,19,56	6,13,31	73,05	1,84	5,62	16	14,45,44
United Provinces.	...	...	...	...	...	5,50	1,00	...	2,75	...	51	...	...	...	...	4,26	20,20	...	62,55	...	10,32	...	5	...	2	1,02,14
Punjab.	...	...	...	...	...	12,78	1,60,45	...	13,60	18	...	...	...	...	...	1,74,13	1,62,39	...	43,30	1,07	...	...	...	...	...	2,06,76
Burma.	...	...	...	...	...	79,50	2,64,85	11,50	50,98	...	...	...	...	...	...	3,27,33	3,31,65	25,50	2,09,08	...	...	...	...	...	...	5,67,13
Bihar and Orissa.	...	...	...	...	...	3,09	74	...	...	...	...	...	...	...	...	74	5,43	...	...	2	...	...	...	...	...	5,45
Central Provinces.	...	...	...	...	...	1,06,65	34,00	...	80,64	...	...	...	...	...	...	1,14,64	74,00	...	2,34,32	...	...	...	...	...	...	3,06,32
Assam.	...	...	...	...	...	13,05	13,40	...	...	...	...	...	...	...	...	13,40	61,05	...	...	...	...	...	...	...	...	61,05
TOTAL.	2,57,08	11,50	10,60	1,37	7,55	14,64,63	5,42,09	76,68	1,50,52	46,63	95,13	...	11,84	5	7,50	9,69,84	11,67,65	10,57,01	20,26,43	2,45,06	8,35,47	92,30	45,08	27,70	34,11	55,30,71

STATEMENT V.

Movement of Funds within the Provinces during the year 1920-21.

(In lakhs of rupees).

	Bengal (including Port Blair and Nepal).	Madras.	Bombay	United Pro- vinces.	Punjab.	Burma.	Bihar and Orissa.	Central Pro- vinces.	Assam.	TOTAL.
Supplies of funds to Presidency Banks in Districts.	...	2.91	2.95	2	...	2.32	...	...	...	8.20
Receipts of funds from Presidency Banks in Districts.	...	1.32	3.89	2	...	...	...	...	...	5.23
Sale of supply bills, and transfers to the public.	6.53	23	4.64	43	1.19	4.75	2	...	1	17.80
Transfers to head quarters by Bank post-bills.	72	...	...	...	...	...	12	...	...	84
TOTAL	7.25	4.48	11.48	47	1.19	7.07	14	...	1	32.07

STATEMENT VI.

Gross imports of sovereigns during 1918-19, 1919-20 and 1920-21.

(In thousands of £.)

	1918-19.		1919-20.		1920-21.	
	Tendered to Govern- ment.	Not so tendered.	Tendered to Govern- ment.	Not so tendered.	Tendered to Govern- ment.	Not so tendered.
April	2	...	...	...	6	157
May	1	...	1,000	...	65	...
June	1,500	...	1,000	...	20	...
July . . . . .	...	...	...	...	22	201
August	1	...	8	...	...	796
September . . . . .	...	...	14	...	...	300
October . . . . .	...	...	257	...	...	629
November . . . . .	...	...	168	...	...	228
December . . . . .	...	...	135	...	...	307
January . . . . .	...	...	6	...	...	234
February . . . . .	...	...	23	...	...	130
March . . . . .	...	...	31	...	...	154
TOTAL	1,504	...	2,642	...	113	3,136
	1,504		2,642		3,249	

STATEMENT VII.

*Absorption of gold coin during 1920-21.**(In thousands of £.)*

	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.
Opening balance—					
Currency	11,959	14,839	15,921	16,265	11,959
Treasuries	81	93	...	4	81
Gold Standard Reserve . . . . .	...	...	...	...	...
TOTAL	12,040	14,932	15,921	16,269	12,040
Add—Imports tendered to Government	91	22	...	...	113
Sovereigns received from Australia and New Zealand Coinage in India—	...	...	...	...	...
(a) Sovereigns . . . . .	...	...	...	...	...
(b) Mohurs . . . . .	...	...	...	...	...
Deduct—Exports . . . . .	...	...	...	...	...
TOTAL	12,131	14,954	15,921	16,269	12,153
Closing balance—					
Currency	14,839	(a) 17,420	(b) 16,273	16,700	(c) 18,207
Treasuries	93	...	4	...	...
Gold Standard Reserve . . . . .	...	...	...	...	...
TOTAL	14,932	17,420	16,277	16,700	18,207
Absorption after passing through Government Treasuries and Currency Offices	—2,801	—2,466	—356	—431	—6,054
Add—Imports on private account not tendered to Government but absorbed direct	157	1,297	1,164	518	3,136
TOTAL ABSORPTION	—2,644	—1,169	808	87	—2,918

- (a) Includes £1,499,000 worth of mohurs transferred to Bullion account.
 (b) Includes £28,000 worth of mohurs transferred to Bullion account.
 (c) Includes £1,507,000 worth of mohurs transferred to Bullion account.

STATEMENT

Absorption of gold coin by

Name of Province.	1919-20.				
	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.
India and Bengal . . . . .	...	...	...	—165	—165
Madras	—9	—2	...	—126	—137
Bombay	—6	—152	—76	—1,153	—1,387
United Provinces . . . . .	...	31	...	—85	— 54
Punjab and North-West Frontier Province .	1	...	...	—401	—400
Burma . . . . .	...	...	...	—28	—28
Bihar and Orissa . . . . .	...	...	...	—3	—3
Central Provinces and Berar . . . . .	...	...	...	—41	—41
Assam . . . . .	...	...	...	...	...
TOTAL	—14	—123	—76	—2,002	—2,215

VII-A.

Provinces and quarters.

(In thousands of £.)

1920-21.				
1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	TOTAL.
-789	-360	-94	...	-1,223
-1,361	-627	-20	-1	-2,009
-509	-597	-230	-430	-1,766
-48	-414	...	...	-462
-49	-301	...	...	-350
-56	-11	-12	...	-73
-1	-83	...	...	-84
-14	-71	...	...	-85
...	-2	...	...	-2
-2,801	-2,466	-356	-431	-6,054

STATEMENT

Receipts of sovereigns from the public at Treasuries,

	India and Bengal.	Madras.	Bombay.	United Provinces.	Punjab and N.-W. F. Provinces.
1908-09	168	771	696	502	529
1909-10	31	55	679	102	67
1910-11	171	636	1,130	487	646
1911-12	248	902	1,845	946	1,472
1912-13	437	958	2,146	1,964	2,118
1913-14	1,011	1,398	2,939	2,019	2,443
1914-15	296	598	1,485	879	1,474
1915-16	11		174	44	48
1916-17			144		
1917-18		2	47		23
1918-19		11	57	61	33
1919-20	102	91	628	77	127
1920-21	216	155	463	331	240

VII-B.

Post Offices and Railway Stations.

(In thousands of £)

Burma.	Bihar and Orissa.	Central Provinces and Berar.	Assam.	Total. Treasuries.	Post Offices.	Railways.
31	...	39	12	2,748	1,001	710
2	...	8	1	945	265	134
38	...	63	6	3,177	638	597
41	...	162	10	5,626	1,363	1,222
41	33	298	7	8,002	1,961	1,810
41	35	329	8	10,223	2,737	1,987
18	17	79	3	4,849	1,098	738
3	...	4	...	293	67	33
5	...	...	...	156	1	...
...	...	...	...	79	...	...
...	2	...	...	164	...	...
23	3	41	...	1,092	189	27
29	84	85	2	1,605	213	14

STATEMENT VIII.

Absorption of rupees and half-rupees during 1919-20 and 1920-21.

(In lakhs of rupees.)

	1919-20.					1920-21.				
	April to June.	July to Sept.	Oct. to Dec.	January to March.	Total April to March.	April to June.	July to Sept.	Oct. to Dec.	January to March.	Total April to March.
Opening Balance—										
Currency	16,66	23,55	34,35	29,64	16,66	33,22	41,94	54,34	57,13	33,22
Treasury	2,10	1,84	1,59	1,32	2,10	2,03	2,48	2,03	1,86	2,03
TOTAL .	18,76	25,39	35,94	30,96	18,76	35,25	44,42	56,37	58,99	35,25
Closing Balance—										
Currency	23,55	34,95	29,64	33,22	33,22	41,04	54,34	57,13	61,42	61,42
Treasury	1,84	1,59	1,32	2,03	2,03	2,48	2,03	1,86	2,14	2,14
TOTAL .	25,39	35,94	30,96	35,25	35,25	44,42	56,37	58,99	63,56	63,56
Net difference + or —	-6,63	-10,55	+4,98	-4,29	-16,49	-9,17	-11,95	-2,62	-4,57	-28,31
Add—new coins issued .	+13,40	+12,05	+3,97	+7,63	+37,05	+3,25	+7	...	+9	+3,41
Deduct—Remittances to Mints for recoinage	-8	-18	-6	-9	-41	-8	-32	-22	-20	-82
Do. Exports from India	-10	+1	...	+3	-6	+5	...	...	-1	+4
Net Absorption (+) or return from circulation (-)	+6,59	+1,83	+8,89	+3,28	+20,09	-5,95	-12,20	-2,84	-4,69	-25,68

Distribution of net absorption by quarters and Provinces.

(In lakhs of rupees.)

CIRCLE OR PROVINCE.	1919-20.					1920-21.				
	April to June.	July to Sept.	Oct. to Dec.	January to March.	TOTAL.	April to June.	July to Sept.	Oct. to Dec.	January to March.	TOTAL.
Bengal and India . . .	+38	+3,25	+1,80	+2,16	+7,59	-44	+1	+1,08	-7	+58
Madras	+13	-13	-31	-1,76	-2,07	-1,76	-2,24	-1,53	-1,74	-7,27
Bombay	+1,23	-1,74	+3,75	+1,16	+4,40	-3,61	-3,91	-1,55	-1,82	-10,89
United Provinces . . .	+2,69	-15	1,76	+1,20	+5,50	+79	-1,09	-14	-18	-71
Punjab and N.-W. Frontier	+2,22	+1,38	+1,76	+1,47	+6,83	+20	-2,73	-29	-1,48	-4,30
Burma	+4		-42	+9	-57	-6	-65	-90	-38	-1,99
Bihar and Orissa . . .	-1	-9	-7	-24	-41	+23	-28	22	+30	+2
Central Provinces and Berar		-93	+52	-58	-1,07	-1,15	-1,48	+65	+92	-106
Assam	-1	+2	+9	-21	-11	-7	+15	+5	-19	-6
TOTAL	+6,59	+1,33	+8,88	+3,29	+20,09	-5,97	-12,23	-2,85	-4,64	-25,68

STATEMENT IX.

Whole rupees coined and issued from the Indian Mints from 1835.

Calendar years.	Coined in Calcutta.	Coined in Madras.	Coined in Bombay.	Total Coined.
	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>
William IV, 1835 . . .	10,90,88,070	11,78,000	5,37,12,502	16,89,78,572
Victoria, 1840, 1st issue . .	17,99,34,670	2,18,98,181	10,98,38,073	31,16,70,924
" 1840, 2nd " . . .	39,85,53,660	5,50,49,201	31,29,58,076	76,65,60,937
" 1862 . . .	26,94,27,222	2,94,81,923	40,80,03,034	70,69,12,179
" 1874 . . .	1,50,13,834	...	2,31,68,566	4,35,22,400
" 1875 . . .	1,16,31,951	...	1,93,59,597	3,09,91,548
" 1876 . . .	1,20,01,264	...	2,89,49,037	4,09,50,301
" 1877 . . .	3,92,51,692	...	9,55,54,320	13,48,06,012
" 1878 . . .	3,26,57,837	...	6,39,27,196	9,65,85,033
" 1879 . . .	1,59,28,325	...	7,27,99,904	8,87,28,229
" 1880 . . .	1,83,99,894	...	5,37,85,624	7,21,85,518
" 1881 . . .	24,35,719	...	31,61,858	55,97,577
" 1882 . . .	1,50,90,289	...	5,63,97,273	7,14,87,567
" 1883 . . .	51,23,372	...	1,80,22,789	2,31,46,161
" 1884 . . .	1,16,41,757	...	3,68,46,570	4,84,88,327
" 1885 . . .	3,41,52,203	...	6,48,78,000	9,90,30,203
" 1886 . . .	1,08,78,075	...	4,11,46,457	5,20,24,532
" 1887 . . .	4,02,00,148	...	4,84,00,000	8,86,00,148
" 1888 . . .	75,68,000	...	6,32,00,000	7,07,68,000
" 1889 . . .	93,68,310	...	6,53,00,000	7,46,68,310
" 1890 . . .	2,47,41,865	...	9,29,00,000	11,76,41,865
" 1891 . . .	1,46,69,903	...	4,95,00,000	6,41,69,903
" 1892 . . .	3,24,55,120	...	7,22,00,000	10,46,55,120
" 1893 . . .	91,40,310	...	6,95,90,000	(a) 7,87,30,310
" 1897 . . .	4,70,184	...	10,54,593	(b) 15,24,777
" 1898 . . .	12,50,976	...	62,68,437	(c) 75,19,413
" 1900 . . .	5,29,02,591	...	6,52,36,908	(d) 11,81,39,499
" 1901 . . .	3,37,22,243	...	7,54,13,718	(e) 10,91,35,961
" 1901 coined in 1902	3,82,94,644	...	5,48,44,740	(f) 9,31,39,384
Edward VII, 1903 ditto . .	25,000	...	...	25,000
" " 1903 . . .	4,93,78,355	...	5,29,69,151	(g) 10,23,47,506
" " 1904 . . .	5,83,38,617	...	10,19,40,291	(h) 16,02,78,908
" " 1905 . . .	5,12,57,883	...	7,62,02,223	(i) 12,74,60,106

- (a) Includes Rs5,90,000 coined for the Bikaner State.
 (b) On account of Kashmir and Bhopal re-coinage.
 (c) Ditto ditto.
 (d) Includes Rs2,09,02,414 coined for Native States.
 (e) " Rs1,90,43,904 coined for Native States.
 (f) " Rs2,98,86,014 coined for Native States.
 (g) " Rs11,66,451 coined for Native States.
 (h) " Rs5,94,221 coined for Native States.

STATEMENT IX—continued.

Whole rupees coined and issued from the Indian Mints from 1835—contd.

Calendar years.	Coined in Calcutta.	Coined in Madras.	Coined in Bombay.	Total Coined.
	₹	₹	₹	₹
Edward VII, 1906 .	10,47,97,164	...	15,89,53,269	(j) 26,37,50,433
" " 1907 .	8,13,38,000	...	17,09,11,816	(k) 25,22,49,816
" " 1908 .	2,02,17,728	...	1,07,14,770	3,09,32,498
" " 1909 .	1,27,58,580	...	95,38,746	(l) 2,22,97,326
" " 1910 .	85,00,000	...	91,88,673	1,76,88,673
" " 1910 coined in 1911.	41,27,013	...	16,96,273	58,23,286
George V, 1911 .	42,99,924	...	51,43,125	94,43,049
" " 1912 .	4,51,22,132	...	7,90,67,074	(m) 12,41,89,206
" " 1913 .	7,58,00,163	...	8,74,65,788	(n) 16,32,65,951
" " 1914 .	3,31,00,150	...	1,52,70,000	4,83,70,150
" " 1915 .	99,00,139	...	53,71,979	1,52,72,118
" " 1916 .	11,50,00,210	...	9,79,00,000	21,29,00,210
" " 1917 .	11,32,00,217	...	15,15,82,659	26,47,82,876
" " 1917 coined in 1918.	17,74,025	...	...	17,74,025
" " 1918 .	20,13,26,240	...	21,05,50,363	41,18,76,603
" " 1918 coined in 1919.	40,94,006	...	...	40,94,006
" " 1919 .	19,68,06,224	...	22,67,06,054	42,35,12,278
" " 1919 coined in 1920.	1,44,00,031	...	...	1,44,00,031
" " 1920 .	3,86,00,085	...	5,59,36,544	9,45,36,629
" " 1921* .	...	...	9,00,013	9,00,013
TOTAL .	2,69,01,56,014	10,76,07,305	3,65,97,66,088	6,45,75,29,407

* Up to 31st March 1921.

(j) Includes ₹3,28,000 coined for Native States.

(j) " ₹3,90,310 coined for Native States and ₹167 lakhs (Calcutta ₹32 lakhs and Bombay ₹135 lakhs) coined from Gold Standard Reserve Silver.

(k) ₹94,766 coined for Native States and ₹433 lakhs (Calcutta ₹168 lakhs and Bombay ₹265 lakhs) coined from Gold Standard Reserve Silver.

(l) ₹1,01,459 coined for Native States.

(m) ₹16,56,250 coined for Native States.

(n) ₹12,78,441 coined for Native States.

STATEMENT X.

Rupee Census.

	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.	1917.	1918.	1919.	1920.	1921.
William IV. 1835 .	·4	·4	·3	·3	·25	·2	·19	19	·15	·15	·17	·12	·11	·08	·07	·07	·07	·06	·06	·05	·06	·05	·04
1840, 1st issue	4·5	4·5	4·1	2·1	1·5	·95	·8	·75	·5	·43	·45	·32	·32	·26	·19	·19	·18	·18	·13	·13	·12	·14	·07
1840, 2nd issue	13·1	12·6	11·8	8·2	4·3	2·8	2·13	1·6	1·2	1·04	·99	·73	·61	·50	·39	·37	·30	·27	·27	·31	·23	·24	·19
1862	20·95	20·2	19·0	19·85	20·15	13·35	17·2	15·7	14·35	13·54	13·72	13·50	13·52	13·09	12·13	11·42	11·17	11·10	9·64	9·23	7·95	7·71	7·49
1874	·85	·9	·76	·75	·75	·75	·75	·65	·55	·56	·59	·53	·54	·61	·52	·48	·51	·50	·43	·52	·47	·38	·46
1875	1·25	1·2	1·03	1·13	1·15	1·09	·99	·95	·85	·77	·84	·80	·79	·79	·74	·73	·73	·75	·66	·62	·60	·53	·56
1876	1·5	1·5	1·36	1·4	1·4	1·3	1·25	1·1	1·0	·96	1·01	1·00	·98	·96	·89	·90	·88	·91	·80	·81	·66	·63	·68
1877	4·7	4·5	4·2	4·4	4·5	4·09	3·85	3·5	3·2	2·95	3·09	3·05	3·09	3·04	2·78	2·70	2·68	2·67	2·32	2·20	1·79	1·75	1·69
1878	3·15	3·0	2·9	2·95	3·0	2·85	2·55	2·4	2·2	2·04	2·13	2·12	2·12	2·11	1·91	1·90	1·84	1·86	1·53	1·48	1·23	1·21	1·26
1879	2·8	2·8	2·5	2·55	2·6	2·5	2·24	2·0	1·95	1·80	1·87	1·82	1·82	1·82	1·68	1·60	1·62	1·61	1·34	1·25	1·09	1·06	1·05
1880	2·7	2·7	2·4	2·45	2·5	2·25	2·06	1·95	1·8	1·66	1·68	1·69	1·67	1·68	1·55	1·50	1·52	1·51	1·29	1·23	1·03	1·04	1·02
1881	·37	·4	·3	·3	·3	·35	·28	·25	·25	·23	·24	·24	·20	·22	·22	·22	·23	·23	·22	·26	·21	·21	·24
1882	3·0	3·0	2·73	2·8	2·8	2·5	2·4	2·2	2·0	1·84	1·87	1·87	1·85	1·78	1·67	1·60	1·68	1·65	1·49	1·35	1·13	1·07	1·09
1883	1·1	1·1	1·0	1·0	1·0	·95	·9	·8	·75	·70	·72	·69	·67	·67	·68	·63	·66	·65	·58	·61	·48	·47	·50
1884	2·2	2·2	1·92	2·0	1·95	1·85	1·75	1·6	1·45	1·33	1·38	1·38	1·36	1·34	1·25	1·20	1·23	1·24	1·05	1·08	·88	·83	·87
1885	4·2	4·1	3·7	3·85	3·8	3·55	3·25	2·95	2·8	2·51	2·61	2·59	2·60	2·60	2·36	2·30	2·28	2·25	1·96	1·80	1·44	1·41	1·48
1886	2·45	2·35	2·15	2·15	2·2	2·01	1·88	1·75	1·6	1·46	1·51	1·50	1·49	1·52	1·35	1·33	1·34	1·36	1·15	1·18	·95	·88	·94
1887	4·3	4·3	3·9	4·0	4·0	3·65	3·4	3·1	2·8	2·59	2·64	2·53	2·60	2·56	2·34	2·24	2·28	2·33	2·05	1·96	1·58	1·49	1·52
1888	3·25	3·2	2·9	3·0	2·95	2·7	2·5	2·35	2·1	1·98	2·03	1·98	1·98	1·97	1·84	1·80	1·78	1·80	1·56	1·55	1·30	1·28	1·32
1889	3·7	3·7	3·33	3·35	3·35	3·04	2·85	2·6	2·35	2·16	2·23	2·25	2·23	2·18	2·02	2·00	1·99	2·03	1·73	1·67	1·40	1·37	1·39
1890	6·3	6·4	5·6	5·7	5·65	5·04	4·8	4·3	3·85	3·53	3·60	3·70	3·65	3·60	3·84	3·28	3·28	3·26	2·80	2·64	2·14	2·09	2·14
1891	3·3	3·4	3·0	3·0	3·0	2·75	2·6	2·35	2·1	1·99	2·00	2·02	2·00	2·00	1·87	1·70	1·79	1·84	1·62	·12	1·25	1·27	1·29
1892	5·55	5·6	4·9	5·0	5·0	4·5	4·2	3·85	3·35	3·13	3·21	3·23	3·22	3·20	2·92	2·87	2·82	2·89	2·50	2·30	1·94	1·88	1·89

	1893	1897	1898	1900	1901	1903	1904	1905	1906	1907	1908	1909	1910	1911	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	TOTAL
VICTORIA.	4.32	.01	.05	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
EDWARD VII.	43	.1	.35	1.2	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
GEORGE V.	3.8	.17	.4	6.8	3.05	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	3.75	.15	.45	7.0	6.4	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	3.8	.15	.4	7.05	9.75	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	3.4	.18	.5	6.3	9.4	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	3.2	.15	.44	5.85	9.3	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	2.85	.17	.525	5.25	8.1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	2.6	.15	.47	4.7	7.35	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	2.37	.18	.38	4.34	6.84	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	2.43	.16	.42	4.32	6.69	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	2.42	.17	.34	4.30	6.74	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	2.37	.13	.45	4.30	6.68	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	2.37	.16	4.21	6.57	6.07	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	2.24	.14	3.24	6.07	3.46	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	2.18	.15	3.27	5.90	3.23	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	2.19	.14	3.75	5.90	3.19	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	2.17	.15	3.73	5.90	3.23	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	1.90	.16	3.27	4.98	2.79	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	1.85	.17	3.04	4.55	2.78	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	1.48	.19	2.45	3.64	2.27	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	1.46	.15	2.37	3.68	2.21	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
	1.50	.31	2.56	3.80	2.34	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
						...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100
																							

TOTAL 100 100 100 100 100 100 100 100 100 100

NOTE.—This statement shows the result of the examination undertaken once year of a portion of the rupees held at the different treasuries in India, to determine the composition of the rupee circulation according to the dates borne by each coin.

STATEMENT XI—continued.

Value of Currency Notes in circulation on the last day of each month.

	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.	1868-69.	70.	1870-71.	1871-72.	1872-73.	74.	1874-75.	1875-76.	1876-77.	1877-78.	1-79.	1879-80.	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.
April .	5,13	5,68	7,48	7,02	7,84	8,92	9,80	9,65	10,13	13,34	11,61	9,27	10,75	10,75	11,13	13,30	11,27	12,89	12,86	14,20	13,35	12,34
May .	5,01	6,04	7,46	7,87	8,19	10,04	10,38	8,68	10,49	13,49	11,21	9,96	11,06	10,70	11,55	13,09	11,17	13,10	13,01	14,67	13,09	13,24
June	5,09	5,99	8,34	8,60	8,53	10,04	10,80	8,70	10,83	13,51	11,83	10,15	11,29	11,59	12,67	13,87	11,82	13,64	13,72	14,91	13,01	13,83
July	5,11	6,31	8,53	8,67	8,72	10,06	10,53	9,12	10,72	13,47	11,95	10,73	11,18	11,54	12,85	14,07	12,24	13,91	14,04	15,29	13,54	14,56
August	5,16	6,37	8,69	8,48	9,39	10,13	10,21	9,45	11,29	13,22	12,05	10,87	11,19	11,91	12,15	14,27	12,74	13,75	14,22	15,29	13,79	14,97
September	5,26	6,48	8,87	9,28	9,53	10,41	1,05	10,07	11,32	13,35	12,09	10,60	11,77	11,75	12,39	14,06	13,33	13,47	13,55	15,28	14,40	15,01
October	5,63	7,09	7,84	10,16	9,96	10,61	10,76	10,19	11,31	13,00	12,06	10,88	12,04	11,45	13,19	13,70	13,58	13,55	13,89	15,62	14,49	15,16
November .	5,16	7,13	7,83	10,10	10,21	10,41	11,33	10,27	11,09	13,30	11,73	11,02	11,69	11,93	14,74	13,46	13,75	14,50	13,07	16,25	14,47	15,76

December	5.11	7.45	7.40	9.96	10.32	10.30	11.31	10.35	10.87	12.58	10.91	11.08	11.22	11.97	15.05	12.69	13.80	14.88	13.15	16.16	13.39	15.08
January	5.15	7.39	6.91	8.68	10.11	10.20	11.2	10.76	13.08	12.16	9.98	11.10	11.77	12.44	15.64	12.15	14.23	14.12	13.39	15.37	12.11	14.97
February	5.08	7.40	6.87	8.87	9.56	10.68	10.63	10.07	12.69	11.52	9.69	11.13	11.28	12.07	14.07	12.30	13.25	12.25	13.74	14.42	12.26	14.53
March	5.35	7.43	6.90	8.09	9.07	9.96	10.47	10.44	13.17	11.14	9.25	11.24	11.00	11.62	13.57	11.42	12.36	13.40	13.91	14.51	12.76	14.58
Average	5.19	6.73	7.76	8.81	9.29	10.15	10.67	9.81	11.42	12.86	11.15	10.67	11.35	11.61	13.25	13.19	12.80	13.66	13.50	15.18	13.39	4.54
Reserve Treasury balances held in Notes Average	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	71	1.44	2.35	1.36	1.49
Metallic Reserve Average Gold	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
" Silver	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	7.72	7.49	9.18	7.40	8.45
Currency invert- ment on 31st March	2.49	3.57	3.98	3.25	3.25	3.91	3.60	3.23	5.91	5.69	5.69	5.69	5.69	6.00	5.69	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Profits of Paper Currency Depart- ment	...	13	9	7	10	7	11	12	11	21	19	20	20	21	20	19	25	23	22	21	21	22

STATEMENT XI.—continued.

Value of Currency Notes in circulation on the last day of each month.

(In lakhs of rupees.)

	1885-86.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.	1-96.	3-97.	7-98.	8-99.		901-02.	
April .	13,02	13,78	14,02	16,54	15,82	17,42	25,71	23,96	24,22	30,64	30,76	25,92	23,91	24,28	28,02	27,90	28,59
May .	13,54	14,17	13,90	17,03	15,77	17,65	26,18	25,28	24,99	31,13	30,17	26,89	22,86	23,25	28,25	28,65	29,08
June .	14,86	13,78	14,08	17,69	16,24	17,94	26,81	26,77	26,49	31,40	30,86	27,78	23,39	24,92	29,14	30,41	31,82
July .	14,50	14,26	15,48	18,05	16,49	19,18	27,04	28,46	27,05	31,20	32,43	29,59	24,76	26,24	29,27	30,78	31,69
August .	14,86	14,44	15,66	17,69	16,15	20,50	26,93	29,07	28,30	31,57	31,54	28,23	24,60	26,32	28,76	28,44	30,89
September .	15,55	14,30	16,78	16,94	16,14	22,97	26,24	28,97	28,96	31,23	30,37	26,89	24,74	25,64	27,63	28,31	30,55
October .	15,71	14,53	17,78	16,74	16,03	25,66	25,99	28,94	28,59	31,51	29,98	25,08	24,59	25,84	27,67	28,30	31,86
November .	15,64	14,68	18,61	15,50	16,67	26,54	25,68	28,83	29,62	32,35	28,39	24,53	24,65	25,79	27,38	28,35	30,60

December	15,20	14,41	17,69	15,15	15,47	27,01	24,55	26,05	30,13	31,45	27,82	25,26	23,79	25,20	26,26	28,06	28,07
January	15,41	14,10	17,06	15,28	16,29	27,66	22,62	26,61	30,52	29,50	27,12	24,27	24,32	25,67	27,18	29,37	27,98
February	14,56	14,07	16,45	14,83	16,37	26,42	22,90	25,86	30,20	30,35	25,99	23,58	24,53	26,24	27,27	28,10	27,68
March	14,17	13,88	16,42	15,74	15,77	25,69	24,08	26,40	30,41	30,70	25,94	23,75	24,76	25,20	25,74	29,87	31,66
Average	14,71	14,20	16,16	16,43	16,15	22,89	25,44	27,10	28,29	31,11	29,28	25,98	24,24	25,63	27,96	28,86	30,03
Reserve Treasury balances held in Notes Average.	79			1,15	1,01	1,74	2,14	2,27	6,08	7,16	3,42	1,65	1,49	2,11	2,47	2,34	4,16
Metallic Reserve Average Gold	...	...				...	...	...	...					70	6,54	12,19	7,62
„ Silver	8,72	8,21	10,19	10,49	10,17	16,64	18,33	19,10	20,29	23,11	21,28	17,31	14,22	14,93	11,42	6,68	12,42
Currency invest- ment on 31st March	5,99	5,99	5,99	5,98	6,00	7,00	8,00	8,00	8,00	8,00	8,00	10,00	10,00	10,00	10,00	10,00	10,00
Profits of Paper Currency Depart- ment	20	21	21	21	21	21	24	29	27	28	29	22	24	28	29	29	24

STATEMENT XI—continued.

Value of Currency Notes in circulation on the last day of each month.

(In lakhs of rupees.)

	-05.	-90.	1909-10.	1910-11.	1912-13.	1913-14.	914.	1916-17.	19	919-20.									
April	31,25	33,94	36,11	39,78	43,76	46,22	46,26	43,65	52,84	54,69	58,94	66,44	65,46	60,24	65,47	82,72	1,05,96	1,53,72	1,70,74
May	31,56	35,13	37,26	40,19	42,69	46,07	44,81	46,77	54,30	55,10	58,89	66,25	66,77	61,99	66,31	88,81	1,11,53	1,55,18	66,92
June	33,59	36,57	40,65	41,36	45,56	48,05	45,15	49,29	56,95	58,22	64,12	68,48	70,26	66,48	71,39	93,29	1,14,79	1,62,76	1,64,94
July	35,20	37,57	42,52	41,58	47,90	50,32	48,10	51,53	59,16	60,29	66,59	69,90	75,45	68,06	75,48	99,31	1,21,41	1,67,11	1,63,87
August	35,58	37,70	41,35	43,79	45,70	51,77	44,61	51,74	58,06	59,69	68,16	67,23	65,79	66,41	74,01	1,05,15	1,31,41	1,68,92	1,63,27
September	34,65	36,61	39,96	42,73	44,40	52,74	43,84	50,82	56,10	56,32	63,83	61,60	60,52	63,61	71,55	1,08,43	1,34,38	1,71,1	1,57,63
October	34,36	37,00	39,45	41,58	45,22	50,65	44,25	50,50	53,35	56,61	65,79	61,90	60,78	63,59	73,32	1,14,77	1,36,43	1,75,29	1,59,58
November	34,25	36,98	39,80	39,63	44,13	47,43	43,55	46,58	52,10	58,05	67,27	64,79	61,19	62,06	76,50	1,12,93	1,40,76	1,79,67	1,60,21

December	33,74	34,43	38,79	39,77	45,61	43,27	42,07	48,25	49,67	56,18	65,70	64,57	60,88	62,94	82,17
January	32,13	35,47	37,62	40,49	44,65	41,82	42,21	51,84	51,12	54,70	67,75	63,94	60,26	62,42	84,36
February	32,85	37,29	37,73	42,63	45,49	42,66	43,86	50,57	53,52	57,19	67,54	65,18	59,55	64,01	86,76
March	35,72	38,21	39,18	44,66	46,95	46,69	45,49	54,41	54,99	61,36	68,98	66,12	61,63	67,73	86,37

Average	33,74	36,41	39,20	41,52	45,14	47,32	44,52	49,66	54,35	57,87	65,62	65,55	64,04	64,10	76,14
Reserve Treasury balances held in Notes Average	4,13	3,65	3,87	3,57	3,66	4,82	3,76	2,64	5,80	553	10,71	9,93	4,76	3,70	3,78
Metallic Reserve Average Gold	10,24	15,11	16,67	16,31	12,69	13,40	4,09	4,75	12,34	20,36	36,63	33,54	19,22	16,49	23,22
„ Silver	13,50	11,30	12,53	13,87	20,45	21,93	28,43	32,91	30,01	23,01	14,99	18,01	30,82	32,61	21,85

Currency investment on 31st March	10,00	10,00	10,00	12,00	12,00	12,00	12,00	12,00	12,00	14,00	14,00	14,00	14,00	20,00	48,49
															61,48
															98,59
															86,86
															76,42

Profits of Paper
Currency Depart-
ment . . .

71 | 1,53 | 2,40 | 3,49

STATEMENT

Value of Currency Notes in circulation throughout

	CALCUTTA.	CANPORE.	LAHORE.
	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.
Average of 1862-63 to 1866-67	2,69,33,972	20,98,127(a)	20,77,591(a)
„ 1867-68 to 1871-72	3,77,08,263	35,03,005	30,29,804
„ 1872-73 to 1876-77	4,85,28,273	66,13,652	55,48,411
„ 1877-78 to 1881-82	6,36,26,928	58,39,749	68,53,483
„ 1882-83 to 1886-87	6,32,94,733	73,46,597	78,90,464
„ 1887-88 to 1891-92	7,55,28,706	93,32,570	1,03,35,142
„ 1892-93 to 1896-97	11,66,66,705	1,24,39,476	1,63,68,145
„ 1897-98 to 1901-02	11,66,12,090	1,35,80,579	2,02,93,085
1902-03 to 1906-07	16,37,64,515	2,04,82,663	2,83,93,678
„ 1907-08 to 1911-12	20,82,66,121	2,56,99,584	3,35,22,552
„ 1912-13	28,42,62,019	2,40,57,345	2,91,66,391
„ 1913-14	28,37,07,370	2,63,73,121	3,62,26,090
„ 1914-15	27,02,58,360	3,09,54,094	3,64,41,395
„ 1915-16	25,47,40,130	2,95,33,852	4,27,02,157
„ 1916-17	28,45,50,700	2,25,92,672	5,59,83,332
„ 1917-18	33,89,23,146	3,18,20,596	6,88,12,770
„ 1918-19	38,08,76,505	6,41,92,789	10,96,87,086
„ 1919-20	52,52,53,036	8,96,16,878	13,89,16,486
„ 1920-21	50,40,18,523	9,72,81,602	13,20,79,636
Increase or decrease in 1920-21 as compared with 1919-20 .	— 2,12,34,513	+ 76,64,724	— 68,26,850
Percentage of increase or decrease in 1920-21 on average circulation of 1919-20.	— 4.043	+ 8.553	— 4.921

(a) Average for 8 years
 (b) „ „ 2 „
 (c) „ „ 4 „

XII.

India during 1920-21 and previous years.

BOMBAY.	KARACHI.	MADRAS.	CALICUT.	RANGOON.	TOTAL.
Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.	Value of Notes in circulation.
3,04,52,274	9,61,243(b)	60,14,446	3,45,821(a)		6,64,96,113
4,78,09,682	21,04,702	81,01,317	8,40,554		10,26,57,327
3,86,91,351	19,17,089	1,16,90,593	21,58,582		11,53,47,901
3,75,04,227	28,35,309	1,43,99,405	17,54,136		13,28,13,237
4,44,20,612	37,85,266	1,41,73,405	12,42,570	23,45,849(c)	14,40,39,326
6,61,13,610	49,21,080	2,17,27,645	15,86,244	45,96,834	19,41,41,837
9,14,38,035	74,74,756	3,11,76,919	15,70,975	63,73,527	28,35,28,538
7,52,18,545	72,85,468	3,04,66,242	15,24,750	85,13,134	27,34,93,893
10,84,39,796	1,03,28,794	4,22,65,899	18,28,615	1,65,07,822	39,20,11,782
13,11,96,698	1,49,82,723	5,93,91,275	19,61,808(d)	3,25,74,992	50,64,18,668
17,06,56,935	1,18,43,344	8,34,41,987		5,27,79,991	65,62,08,012
15,76,38,493	1,51,41,950	8,45,37,578		5,18,82,638	65,55,07,240
15,94,45,574	1,89,71,025	7,59,56,874		4,83,74,447	64,04,01,709
15,41,94,926	2,66,83,420	8,05,58,249		5,25,37,640	64,09,50,374
21,83,21,052	2,63,22,231	9,39,78,294		5,96,68,300	76,14,16,581
36,85,63,255	3,63,79,001	11,13,80,713		6,18,55,687	1,01,77,35,168
46,20,87,165	5,24,53,622	16,80,04,082		9,44,34,960	1,33,20,36,209
51,14,59,139	5,79,64,223	22,20,55,330		17,15,11,883	1,71,67,76,975
48,33,70,258	7,28,24,264	16,38,98,027		18,16,37,912	1,63,51,10,222
- 2,50,68,881	+ 1,48,60,041	- 5,81,57,303		+ 1,01,26,029	- 8,16,66,753
- 5,492	+ 25,636	- 26,191		+ 5,904	- 4,757

STATEMENT XIII.

Value of Currency Notes in circulation in India in the years 1915-16 to 1920-21.

(In thousands of rupees.)

LAST DAY OF	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Rangoon.	TOTAL.
1915-16.								
April 1915 .	33,68,57	2,64,80	4,63,34	13,66,20	2,61,33	7,88,91	5,11,27	60,24,42
May . .	25,26,46	2,77,91	4,33,11	13,94,12	3,36,39	7,19,79	5,11,30	61,99,08
June . .	28,02,92	3,13,60	4,00,23	15,56,57	3,57,54	7,08,67	5,09,35	66,47,88
July . .	29,01,94	3,41,49	4,03,09	16,39,61	2,94,99	7,10,97	5,14,01	68,06,10
August .	26,45,50	3,43,57	3,99,48	16,30,28	2,67,31	8,43,22	5,11,62	66,40,98
September .	24,22,92	3,51,19	3,79,20	16,45,74	2,65,05	8,27,23	4,89,21	63,80,54
October .	24,70,37	3,32,22	3,83,00	16,31,51	2,39,76	8,22,68	4,79,07	63,58,61
November .	24,60,50	2,97,01	4,18,63	15,16,80	2,32,39	8,17,64	4,63,15	62,06,12
December .	24,25,55	2,56,09	4,62,57	15,33,60	2,35,45	8,35,57	4,85,66	62,34,49
January 1916	23,08,37	2,48,67	4,33,79	14,93,47	2,29,76	8,73,08	5,74,51	62,41,65
February .	25,07,21	2,48,14	4,18,63	14,83,12	2,27,34	8,46,25	6,70,11	64,00,80
March .	26,38,50	2,70,36	5,29,19	16,12,38	2,54,70	8,72,97	5,95,25	67,73,35
1916-17.								
April 1916	24,74,94	2,09,01	5,74,28	15,72,93	2,79,83	8,57,95	5,77,96	65,46,90
May . .	26,32,89	1,71,07	5,21,06	16,60,59	2,62,95	8,44,38	5,38,16	66,31,10
June . .	28,86,22	1,97,99	5,15,04	19,09,77	2,58,23	8,39,42	5,32,82	71,39,49

July	30,75,34	2,65,53	5,32,95	20,72,58	2,20,47	8,61,26	5,19,51	75,47,94
August	28,09,99	3,43,74	5,16,40	21,15,11	2,33,04	8,72,60	5,05,21	74,01,99
September	24,80,67	2,93,84	5,70,36	21,52,51	2,22,45	8,82,61	5,52,29	71,54,73
October	26,32,92	3,01,80	5,79,36	21,26,06	2,14,24	9,37,98	5,39,19	73,31,55
November	29,07,79	2,43,86	5,50,88	21,24,36	2,45,73	10,22,44	5,55,51	76,50,57
December	29,37,14	1,98,88	5,90,65	25,43,25	2,91,74	10,44,76	6,10,25	82,16,67
January 1917	30,52,49	1,42,79	5,55,51	23,25,15	2,94,36	10,42,48	7,20,52	84,36,30
February	30,80,30	1,65,39	5,55,05	26,76,86	3,24,81	10,56,10	8,17,82	86,76,13
March	31,75,40	1,71,93	6,53,46	26,19,56	3,10,80	10,15,41	6,90,96	86,37,52

1917-18.

April 1917	31,03,72	1,17,80	6,69,23	24,80,97	3,04,62	9,67,20	6,28,76	82,72,35
May	33,00,88	62,09	6,71,95	29,04,63	3,04,12	10,00,80	5,86,26	88,30,73
June	34,50,89	3,99,18	6,05,44	29,35,27	2,90,19	10,17,87	5,79,01	93,28,65
July	36,15,55	4,62,25	5,92,33	33,01,31	2,91,68	10,60,79	5,86,30	89,31,21
August	36,15,55	5,07,96	6,22,13	37,39,63	3,36,76	10,93,65	6,00,35	1,05,15,27
September	35,64,79	5,00,06	6,47,72	41,67,88	3,54,10	11,29,55	5,90,34	1,08,42,93
October	35,57,90	3,19,75	6,58,40	48,52,53	3,76,97	11,56,18	5,55,09	1,14,76,87
November	35,47,22	3,10,49	6,93,15	45,68,05	3,87,21	12,05,22	5,81,25	1,12,92,59
December	34,85,84	2,35,73	7,43,38	40,47,11	3,94,08	12,44,92	6,29,51	1,08,30,57
January 1918	33,48,21	2,50,94	7,58,44	38,45,58	4,33,48	11,93,43	6,51,55	1,04,81,63
February	32,13,64	2,72,36	7,53,62	37,76,90	4,42,82	11,60,09	7,26,62	1,03,46,05
March	30,28,98	3,08,87	8,41,69	35,06,68	4,49,44	11,36,17	7,07,65	99,74,38

STATEMENT XIII—continued.

Value of Currency Notes in circulation in India in the years 1915-16 to 1920-21.

(in thousands of rupees.)

LAST DAY OF	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Rangoon.	TOTAL.
1918-19.								
April 1918	31,69,49	2,95,12	9,39,38	38,10,93	3,36,54	12,97,85	6,96,74	1,05,96,05
May	34,00,72	3,70,39	10,18,67	39,54,70	3,53,08	13,89,40	6,66,06	1,11,52,92
June	35,44,15	3,39,97	9,63,71	41,40,24	3,52,70	14,66,55	6,41,07	1,14,78,69
July	37,15,19	3,73,75	8,83,15	45,72,94	4,46,93	14,88,53	6,57,34	1,21,40,85
August	40,05,67	3,80,06	9,50,43	50,10,34	4,61,93	16,21,35	7,11,33	1,31,41,11
September	41,27,13	3,91,21	11,03,01	48,99,90	4,90,72	16,66,34	7,60,07	1,34,38,38
October	42,54,98	4,84,21	11,65,73	47,74,58	5,11,71	16,09,37	8,42,38	1,36,42,96
November	39,55,63	8,54,85	11,94,34	49,73,85	6,69,04	15,99,25	8,28,82	1,40,75,78
December	37,07,51	11,24,30	11,13,71	49,46,37	7,27,38	19,37,32	11,52,31	1,47,08,90
January 1919	37,08,66	10,72,22	11,87,11	48,82,17	7,74,65	19,31,09	14,16,99	1,49,73,89
February	40,40,94	10,03,61	12,57,91	47,01,07	5,55,34	20,31,53	15,58,85	1,51,48,35
March	40,74,12	10,13,54	13,83,18	48,19,37	5,34,41	21,21,62	14,00,24	1,53,46,48
1919-20.								
April 1919	40,89,97	10,16,98	15,26,98	48,39,49	4,57,13	20,77,27	13,64,25	1,53,72,07
May	40,59,73	7,62,66	16,51,49	50,10,06	4,90,43	21,53,80	13,39,46	1,55,17,63

June	43,49,46	7,20,27	16,87,02	55,60,48	4,35,17	22,04,74	13,19,17	1,62,76,31
July	47,25,09	6,69,94	16,05,07	57,51,61	3,61,06	22,61,09	13,17,65	1,67,11,51
August	49,51,64	8,10,63	16,25,63	54,42,83	4,06,82	23,22,55	13,32,18	1,68,92,28
September	61,18,17	7,61,91	12,79,48	49,28,79	5,41,88	23,12,66	12,83,46	1,71,86,35
October	66,04,58	8,15,77	12,41,20	47,48,80	5,15,55	20,75,99	15,27,16	1,75,29,03
November	58,95,57	10,10,18	11,67,26	52,17,58	5,97,64	23,68,05	17,10,66	1,79,66,94
December	56,09,92	9,54,48	12,19,17	53,50,91	8,02,14	23,60,31	19,94,17	1,82,91,10
January 1920	58,00,48	8,64,45	12,62,84	48,70,12	8,18,30	24,57,96	26,40,64	1,85,14,79
February	56,87,60	11,37,96	12,38,57	47,58,26	7,87,92	22,28,31	24,63,94	1,88,03,76
March	52,77,95	11,88,80	11,65,27	48,96,16	7,41,66	18,93,92	22,88,70	1,74,52,46

1920-21.

April 1920	50,57,79	12,08,31	12,27,19	48,86,34	7,37,40	18,69,08	20,87,78	1,70,73,89
May	51,32,24	11,96,61	11,71,46	48,04,62	7,04,04	17,81,52	19,01,32	1,66,91,81
June	52,18,01	10,11,51	12,83,76	47,13,24	7,16,36	17,37,25	17,54,13	1,64,34,26
July	49,47,45	13,91,42	9,52,17	46,99,38	6,91,53	17,96,10	19,08,85	1,63,87,30
August	52,27,65	12,30,87	8,35,62	49,39,51	6,44,50	15,99,94	18,39,52	1,63,26,61
September	51,47,18	11,04,21	10,15,54	47,53,92	5,23,62	16,00,10	16,18,25	1,57,62,32
October	50,47,90	11,04,74	12,23,13	48,80,25	5,61,26	15,52,69	15,89,89	1,59,58,36
November	53,61,52	6,28,40	14,98,78	46,75,25	7,74,23	15,57,36	15,25,88	1,30,21,23
December	51,53,56	6,61,30	16,75,44	46,04,42	8,14,61	15,91,40	16,39,33	1,61,40,09
January 1921	47,07,30	6,75,74	17,22,72	49,21,91	9,15,89	14,97,56	19,06,13	1,63,41,25
February	46,84,75	6,00,48	17,14,45	50,99,34	8,83,44	15,27,04	20,00,42	1,64,59,92
March	47,96,47	8,51,21	15,30,30	50,26,25	8,22,02	15,57,72	20,31,73	1,66,15,70

STATEMENT

Statement of Active Note Circulation during

[In lakhs

LAST DAY OF MONTH.	Gross circulation on last day of month.			Amounts held in Reserve 'Treasuries.			Amounts held in other 'Treasuries.		
	1918-19.	1919-20.	1920-21.	1918-19.	1919-20.	1920-21.	1918-19.	1919-20.	1920-21.
April	1,05,96	1,53,72	1,70,74	4,12	91	1,40	3,27	4,97	3,87
May	1,11,53	1,55,18	1,66,92	1,06		3,20	3,76	5,01	4,13
June	1,14,79	1,62,76	1,64,94	1,83	56	2,17	5,19	4,87	3,36
July	1,21,41	1,67,12	1,63,87	1,48	66	1,31	4,30	3,99	3,40
August	1,31,41	1,68,92	1,63,27	1,49	58	1,67	4,39	3,55	3,13
September	1,34,33	1,71,86	1,57,63	2,01	49	1,32	4,55	3,57	2,66
October	1,36,43	1,75,29	1,59,58	50	84	45	4,02	3,32	2,60
November	1,40,76	1,79,67	1,60,21	33	74	1,10	4,03	3,60	2,50
December	1,47,09	1,82,91	1,61,40	38	21	38	3,61	3,82	2,51
January	1,49,74	1,85,15	1,68,41	1,58	3,48	35	5,06	5,30	3,25
February	1,51,48	1,88,03	1,64,60	1,54	2,78	...	5,46	4,80	2,96
March	1,53,46	1,74,52	1,66,16	3,40	1,20		4,08	4,31	3,68
Average	1,33,20	1,71,68	1,63,51	1,64	1,07	1,11	4,31	4,26	3,1

XIV.

1920-21 and the preceding two years.

of rupees]

Total held in Treasuries.			Balance, being notes in circulation with the public.			Notes held by Presidency Banks at Head Offices.			Active circulation among the people.		
1918-19.	1919-20.	1920-21.	1918-19.	1919-20.	1920-21.	1918-19.	1919-20.	1920-21.	1918-19.	1919-20.	1920-21.
7,89	5,88	5,27	98,57	1,47,84	1,65,47	12,23	10,86	15,08	86,34	1,36,98	1,50,89
4,82	5,36	7,33	1,06,71	1,49,82	1,59,59	16,00	11,37	17,60	90,71	1,38,45	1,41,99
7,03	5,43	5,53	1,07,77	1,57,33	1,58,81	15,35	19,00	23,84	92,42	1,38,33	1,34,97
5,78	4,65	4,71	1,15,63	1,62,47	1,59,16	19,55	19,62	29,69	96,08	1,42,85	1,29,47
5,88	4,13	4,80	1,25,53	1,61,79	1,53,47	22,41	14,18	30,74	1,03,09	1,50,61	1,27,73
6,56	4,06	3,98	1,27,82	1,67,80	1,53,65	17,14	13,47	21,51	1,10,68	1,54,33	1,30,11
4,53	4,16	3,05	1,31,91	1,71,13	1,56,53	11,93	17,97	20,63	1,19,98	1,53,16	1,35,90
4,36	4,34	3,60	1,36,40	1,75,33	1,56,61	9,03	19,71	18,07	1,27,37	1,55,62	1,38,54
3,99	4,03	2,89	1,43,10	1,78,88	1,58,51	7,71	13,01	15,44	1,35,39	1,65,87	1,43,07
6,64	8,78	3,60	1,43,10	1,76,37	1,59,81	7,71	12,96	16,81	1,35,39	1,63,41	1,43,00
7,00	7,58	2,96	1,44,48	1,75,45	1,61,64	9,50	15,70	18,13	1,34,98	1,59,75	1,43,51
7,48	5,51	3,68	1,45,38	1,69,01	1,62,48	12,40	15,23	14,60	1,33,58	1,53,78	1,47,88
5,95	5,33	4,28	1,27,25	1,66,35	1,59,23	13,41	15,25	20,35	1,13,84	1,51,10	1,38,88

STATEMENT XV.

Gross circulation of each denomination of note on the 31st March 1921.

Circle.	NUMBER OF NOTES FOR RUPEES										TOTAL.	
	2/8	10	20	50	100	500	1,000	10,000	Pieces.	Value.		
											Rs.	
Calcutta	15,694,279	533,941	901,356	33,895,539	2,862	175,371	1,013,231	15,577	58,657	4,520	41,237,530	47,96,46,477
Cawnpore	12,953,225	365,960	3,054,022	1,371,229	1,311	64,595	208,363	2,968	4,534	715	18,528,942	8,51,20,815
Lahore	6,145,069	460,904	4,697,091	3,011,534	2,969	101,899	683,890	9,496	8,821	507	15,121,690	15,30,30,454
Bombay	16,167,988	45,042	11,234,459	12,248,327	4,725	453,532	1,052,826	14,306	90,412	8,169	41,417,786	50,26,24,858
Karachi	6,848,103	128,06	111,507	2,692,096	666	117,978	297,708	1,204	6,714	320	10,147,128	8,22,02,198
Madras	17,640,634	1,549,868	3,402,282	632,424	1,585	110,271	940,612	6,539	6,402	2,532	22,607,709	15,57,72,324
Rangoon	19,901,307	238,363	4,633,436	9,383,776	716	36,223	526,013	422	2,555	1,220	34,551,585	20,31,72,624
TOTAL	95,250,605	2,037,225	28,083,953	52,066,126	14,784	766,881	4,722,143	50,532	178,125	17,983	1,63,800,380	1,66,15,69,750
Percentage of increase + or decrease —	—29·4	—52·7	22·7	—3·7	—9·0	—21·7	—6·3	—4·0	9·9	—8·4		
Total for 31st March 1920	34,576,325	4,303,228	22,904,809	54,723,695	16,256	979,519	5,039,165	52,680	162,003	19,630	2,33,077,560	1,74,52,45,980
Percentage of increase + or decrease —	+28·4	+41·7	24·6	+16·6	—8·0	...	+15·0	+6·6	+7·2	+5·0	...	
Total for 31st March 1919	105,065,658	7,378,712	18,381,330	46,922,029	17,669	979,508	4,380,532	49,387	151,060	18,685	183,345,110	1,58,46,47,790

NOTE.—The anomaly of a minus sign is due to the procedure under which foreign circle notes held in currency chests are treated as home notes for the purpose of the currency accounts.

STATEMENT XVI.

STATEMENT XVI.

Details of comparative circulation of notes on the 31st March in 1920-21 and the two preceding years

Circle and Period.	CIRCULATION IN LAKHS OF RUPEES OF NOTES FOR										PERCENTAGE TO GROSS CIRCULATION EXCLUDING Rs. 10,000 NOTE OF THE CIRCULATION OF NOTES FOR										To
	Rs. 1.	Rs. 2-3.	Rs. 5.	Rs. 10.	Rs. 20.	Rs. 50.	Rs. 100.	Rs. 500.	Rs. 1,000.	Rs. 1.	Rs. 2-3.	Rs. 5.	Rs. 10.	Rs. 20.	Rs. 50.	Rs. 100.	Rs. 500.	Rs. 1,000.			
<i>Calcutta.</i>																					
1918-19	1.89	19	67	18.45	1	1.45	6.43	86	5.24	5.4	5	1.9	52.4	4.1	18.3	2.5	14.9	100			
1919-20	3.29	—3	66	24.49	1	70	12.13	97	5.72	6.9		1.4	51.1	1.5	25.3	2.0	11.9	100			
1920-21	1.57	—13	45	23.90	1	88	10.13	78	5.87	3.6		1.1	55.0	2.0	23.3	1.8	13.5	100			
<i>Cawnpore.</i>																					
1918-19	1.02	24	28	1.58		96	4.69	16	39	10.9	2.6	3.0	17.0	10.3	50.3	1.7	4.2	100			
1919-20	1.54	11	60	1.33		35	6.18	14	44	14.4	1.3	5.6	12.4	3.3	57.6	1.3	4.1	100			
1920-21	1.30	9	153	1.87		32	2.08	15	45	16.6	1.2	19.7	24.0	4.1	26.7	1.9	5.8	100			
<i>Lahore.</i>																					
1918-19	90	39	1.13	3.17		97	5.40	42	71	6.9	3.0	8.6	24.2	1	7.4	41.2	3.2	5.4	100		
1919-20	1.04	19	1.92	3.82		22	2.10	47	83	9.8	1.8	16.1	36.0	1	2.1	13.9	4.4	7.8	100		
1920-21	61	11	2.35	3.01		51	6.83	47	88	4.1		15.9	20.4	1	3.4	46.2	3.2	5.9	100		
<i>Bombay.</i>																					
1918-19	2.95	30	4.65	12.8		1.67	10.46	70	7.51	7.2	7	11.3	31.3	4.1	25.4	1.7	18.3	100			
1919-20	2.17	17	4.76	11.82		2.79	10.13	70	7.59	5.4		11.9	29.4	7.0	25.3	1.7	18.9	100			
1920-21	1.62	2	5.65	12.25	1	2.27	10.53	72	9.04	3.8		13.4	29.1	5.4	25.0	1.7	21.5	100			

Karachi																
1918-19	65	13	1,61	33	1,11	64	14'4	...	2'9	35'7	7'3	24'6	9	14'2	100	
1919-20	71	-1	5	2,37	20	2,35	80	10'8	-1	1'2	36'0	3'0	35'7	12	12'2	100
1920-21	68		5	2,58	59	2,95	67	8'6	-4	7	36'6	7'5	37'7	8	8'5	100

Madras.																
1918-19	1,67	63	1,90	2,15	-34	12,03	43	9'0	3'4	10'3	11'6	-3'0	65'0	1'4	2'3	100
1919-20		52	1,96	1,17	-22	10,36	61	13'8	3'1	11'5	6'9	-1'3	61'0	1'4	3'6	100
1920-21	1,76	39	1,70	-63	-55	9,41	64	13'5	3'0	13'0	-4'8	-4'2	72'1	2'5	4'9	100

Rangoon																
1918-19	1,43	9	44	7,08	6	3,69	19	11'0	7	3'4	54'3	5	28'3	4	1'4	100
1919-20	239	10	1,47	9,73	56	7,13	21	10'9	5	6'7	44'4	3'9	32'5	1	1'0	100
1920-21	1,98	6	2,32	9,38	-18	5,26	26	10'4	3	12'1	49'1	-9	27'5	1	1'4	100

All Circles.																	
1912-13			1,48	17,94	10	1,72	17,76	2,72	9,04		2'9	35'3	3'4	35'0	5'4	17'8	100
1913-14			1,61	17,73	8	1,78	17,81	2,64	9,17		3'2	34'9	3'5	35'0	5'2	12'0	100
1914-15			1,56	14,99	6	1,75	16,05	2,36	9,20		3'4	32'6	3'8	35'0	5'1	20'0	100
1915-16			2,25	18,50	5	2,24	20,39	2,33	8,90		4'0	34'2	4'2	37'0	4'2	16'3	100
1916-17			3,31	22,60	5	2,52	25,32	2,45	11,24		4'9	33'5	3'7	37'5	3'6	16'7	100
1917-18	33	18	5,45	27,33	4	3,46	32,53	2,50	13,60	4	6'4	31'9	4'1	38'0	2'9	16'1	100
1918-19	10,51	1,84	9,20	46,90	3	4,90	43,81	2,48	15,11	7'8	1'4	6'8	3'6	32'5	1'9	11'2	100
1919-20	13,49	108	11,45	54,73	3	4,90	50,38	2,63	16,20	8'7		7'4	3'2	32'5	1'7	10'5	100
1920-21	9,52	51	14,05	52,67	3	3,84	47,22	2,53	17,81	6'4		9'5	2'6	31'9	1'7	12'0	100

to the preceding statement (Statement XV).

NOTE.—For explanation of the minus entry, vide footnote to the preceding statement (Statement XV).

STATEMENT XVII.

Encashment of Foreign Circle Notes.

Circle.	CASHED BY							TOTAL.			
	Calcutta.	Cawnpore.	Lahore	Bombay.	Karachi.	Madras.	Rangoon.	1920-21.	1919-20.	1918-19.	1917-18.
<i>R</i>											
Calcutta .	62,72,260	80,19,170	6,49,49,740	93,74,650	1,81,51,700	9,60,100	10,79,27,620	9,32,54,000	4,44,74,550	4,60,79,930	
Cawnpore .	4,27,17,790	...	41,27,500	4,16,70,670	59,64,270	90,96,700	36,39,200	10,72,66,130	7,94,26,960	7,54,16,982	3,03,99,535
Lahore .	5,40,41,310	48,37,160	...	7,17,06,480	1,93,11,320	61,05,600	2,20,650	15,62,24,720	11,03,61,040	7,58,87,407	5,56,84,181
Bombay	3,16,56,000	32,23,070	61,37,760	...	91,26,700	3,45,58,720	4,13,700	8,51,20,970	10,86,95,335	10,58,91,578	7,29,76,611
Karachi .	58,27,900	8,56,470	14,95,340	2,81,93,030	35,47,450	66,500	3,99,66,690	3,15,86,110	2,75,95,227	1,53,09,860	
Madras .	1,52,91,750	18,57,800	16,72,450	4,72,05,630	44,99,150	...	3,99,500	7,10,16,280	8,36,82,670	5,33,02,298	4,80,80,665
Rangoon .	1,05,37,270	11,35,150	13,02,250	1,95,33,500	12,82,650	81,35,850	4,22,16,970	4,23,28,340	1,82,70,824	96,60,029	
Total of 1920-21	16,03,72,020	1,81,86,910	2,27,51,400	27,33,51,350	4,95,58,740	7,97,86,220	57,49,650	60,97,89,360			
" 1919-20	16,48,60,900	3,14,40,425	4,14,69,555	20,95,78,590	3,20,62,440	6,69,42,560	29,39,995	54,92,94,765			
" 1918-19	15,68,65,053	2,46,84,573	5,12,09,095	9,65,44,254	2,15,88,247	1,76,84,810	22,62,792	...	40,13,38,826		
" 1917-18	8,88,78,559	1,45,83,390	3,30,48,810	8,24,65,478	2,40,53,265	3,23,41,460	23,18,991				27,81,50,934

STATEMENT XVIII.

STATEMENT

Statistics of Treasury and other Balances

DENOMINATIONS OF

	R1.	R2-8.	R5.	R10.	R20.	R50.	R100.	R500.	R1,000.
Treasuries and Branch Banks.									
Calcutta Circle .	12,17,247	85,170	3,54,725	23,60,800	300	1,25,100	10,64,700	1,31,000	4,14,000
Cawnpore „	8,72,114	75,140	11,41,390	19,67,160	60	2,87,900	30,08,800	1,19,500	4,81,000
Lahore „	6,44,109	1,58,715	9,11,260	17,53,490	160	3,45,900	32,76,100	3,28,500	20,36,000
Bombay „	10,01,358	1,25,140	16,01,450	32,11,060	400	4,06,300	37,09,900	2,74,500	7,48,000
Karachi „	2,49,331	29,822½	1,85,435	11,17,380	20	1,80,100	23,46,900	53,000	16,27,000
Madras „	17,03,993	3,83,890½	8,98,150	14,94,630	220	5,49,900	34,88,300	72,500	2,43,000
Rangoon „	5,95,696½	76,427½	3,34,600	8,37,800	...	33,500	5,79,600	10,500	1,55,000
TOTAL	62,81,048½	9,34,305	54,27,016	1,27,42,320	1,160	19,28,700	1,74,74,300	9,69,500	57,04,000

Head Offices of Presidency Banks.

Bank of Bengal .	1,03,966½	10,200	1,27,025	7,08,500		74,300	6,96,400	6,93,000	57,71,000
„ Bombay .	81,274	5,285	86,220	4,69,010		2,00,550	9,84,800	3,38,000	57,24,000
„ Madras .	4,44,721	23,642½	54,360	1,19,620		80,950	10,43,900	1,22,000	6,32,000
TOTAL	6,29,961½	39,127½	2,67,605	12,97,130		3,55,800	27,25,100	11,53,000	1,21,27,000

XVIII.

on the 31st December 1920.

NOTES.		TOTAL.			TOTAL.	PERCENTAGE OF NOTES IN TOTAL BALANCE.		PERCENTAGE EXCLUDING RESERVE TREASURY BALANCES.	
R10,000.	Foreign Circle Notes.	Notes.	Sovereigns.	Rupees.		December 1919.	December 1920.	December 1919.	December 1920.
10,10,000	88,000	68,51,042	...	34,92,687	1,03,43,729	76	66	73	56
65,50,000	1,000	1,45,04,064	20	82,32,218½	2,27,36,302½	79	64	...	...
59,80,000	29,500	1,54,63,734	30	36,32,337½	1,90,96,101½	88	81	...	...
24,80,000	...	1,35,58,108	195	80,76,249½	2,16,34,552½	68	63	65	61
57,50,000	...	1,15,38,988½	...	11,88,343½	1,27,27,332	89	91	..	...
9,10,000	...	97,44,583	20	31,60,205½	1,29,04,808½	78	76	74	68
1,14,70,000	15,000	1,41,08,323½	..	26,41,916	1,67,50,239½	80	84	...	...
3,41,50,000	1,38,500	8,57,68,843	265	3,04,23,957½	11,61,93,075½				
2,77,20,000	2,11,76,500	5,70,85,891	...	5,87,181	5,76,73,072	98	99	...	...
5,40,80,000	70,32,000	6,90,01,139	...	1,13,563	6,91,14,702	99	99	...	...
2,57,50,000	...	2,82,71,193	...	6,28,900	2,89,00,093	97	98	...	...
10,75,50,000	2,82,08,500	15,43,58,223	...	13,29,644	15,56,87,867	98	99	...	...

Classification of Treasuries to encashment of notes—contd.

A.	B.	C.	Total No. of Treasuries under.				
Treasuries which were able to cash notes at all times to the extent of the public demand on them after the restrictions on the issue of silver were removed.	Treasuries ordinarily able to cash notes on presentation.	Treasuries at which this accommodation could not usually be given.	A.	B.	C.		
Satara. Sholapur. Sukkur. Surat. Thana.	<i>Bengal.</i>	<i>Nil.</i>	25	...	...
Backerganj. Bankura. Birbhum. Bogra. Burdwan. Chittagong. Darjeeling. Dinajpur. Faridpur. Hooghly. Howrah. Jalpaiguri. Jessore. Khulna.	<i>Nil.</i>	<i>Nil.</i>					
Almora. Azamgarh. Ballia. Banda. Basti. Benares. Bijnor. Etah. Etawah. Fatehpur. Ghaziपुर. Gonda. Gorakhpur. Hardoi. Jalain.	Malda. Midnapore. Murshidabad. Mymensingh. Nadia. Noakhali. Pabna. Rajshahi. Rangpur. Tippera. 24-Pargannas.	<i>United Provinces of Agra and Oudh.</i>					
	Allahabad. Aligarh. Bahraich. Barabanki. Bareilly. Budaun. Bulandshahr. Cawnpore.	Farukhabad. Fyzabad. Hamirpur. Kheri. Saharanpur. Shahjahanpur. Sitapur.	Dehra Dun. Naini Tal.	29	15		
	<i>Punjab and North-West Frontier Province.</i>						
Ambala. Amritsar. Attock. Bannu. Gujranwala. Gurgaon. Hazara. Hissar. Hoshiarpur. Jhelum.	Kangra. Karnal. Kurram. Ludhiana. Mianwali. Multan. Peshawar. Rawalpindi. Sialkot.	Dera Ghazi-khan. Dera Ismail-khan. Ferozepur. Guzrat. Gurdaspur. Jhang. Jullundur.	Kohat. Lyallpur. Montgomery. Muzaffargarh. Rohtak. Shahpur. Simla.	<i>Nil.</i>	19	14	...

Classification of Treasuries according to encashment of notes—contd.

A.	B.	C.	Total No. of Treasuries under.		
			A.	B.	C.
Treasuries which were able to cash notes at all times to the extent of the public demand on them after the restrictions on the issue of silver were removed.	Treasuries ordinarily able to cash notes on presentation.	Treasuries at which this accommodation could not usually be given.			
	<i>Burma.</i>				
	<i>Nil.</i>	<i>Nil.</i>	36	...	...
Bassein. Bhamo. Henzada. Insein. Katha. Kyauk-pyu. Kyaukse. Lashio. Magwo. Maubin. Mawlaik. Mandalay. Mergui. Maymyo. Melktila. Minbu. Mogok. Monywa. Myingyan. Myaungmya.	Myitkyina. Pakokku. Pegu. Prome. Putao (Fort Hertz). Pyapon. Sagaing. Sandoway. Shwebo. Taunggyi. Tavoy. Tharrawaddy. Thaton. Thayetmyo. Toungboe. Yamethin.				
	<i>Bihar and Orissa.</i>				
	<i>Nil.</i>	<i>Nil.</i>	21	...	...
Angul. Balasore. Bhagelpur. Champaran. Cuttack. Darbhanga. Dumka. Gya. Hazaribagh. Manbhum. Monghyr. Muzaffarpur. Palamau.	Patna. Puri. Purneah. Ranchi. Sambalpur. Saran. Shahabad. Singhbhum.				
	<i>Central Provinces.</i>				
	<i>Nil.</i>	<i>Nil.</i>	22	...	...
Akola. Amraoti. Balaghat. Betul. Bhandara. Bilaspur. Buldana. Chanda. Chindwara. Damoh. Drug. Jubbulpore. Hoshangabad.	Mandla. Nagpur. Narsingpur. Nimar. Raipur. Sangor. Seoni. Wardha. Yeotmal.				

Classification of Treasuries according to encashment of notes—concl'd.

A.		B.	C.	Total No. of Treasuries under.		
Treasuries which were able to cash notes at all times to the extent of the public demand on them after the restrictions on the issue of silver were removed.		Treasuries ordinarily able to cash notes on presentation.	Treasuries at which this accommodation could not usually be given.	A.	B.	C.
Cachar. Darrang. Garro Hills. Goalpara. Imphal. Kamrup. Khasi Hills. Lakimpur. Lushai Hills. Naga Hills. Nowgong (Assam). Jorhat. Sylhet.		Assam.				
		Nil.	Nil	13	...	...
			TOTAL	230	81	3
					264	

STATEMENT XX.

Absorption of Small Coins.

[In thousands of rupees.]

	India.	Madras.	Bombay.	Bengal.	U. P. and Oudh.	Punjab and N.-W. Frontier.	Burma.	Bihar and Orissa.	Central Provinces and Berar.	Assam.	TOTAL.
1 RUPEES—(Silver).											35.69
Opening Balance	4.93	6.96	4.10	1.02	6.98	4.73	2.29	1.99	98	1.71	-6.42
Receipts from + or Issues to — Mint or other Provinces.	2.15	-1.58	1.50	-2.21	-1.39	-23	-11	-3.15	-1.39	-1	
Closing Balance	23.35	14.62	9.58	1.54	13.04	9.91	2.68	2.54	1.66	2.34	61.46
Net Local Absorption in 1920-21	-16.27	-9.24	-3.98	-2.73	-7.45	-5.41	-7.0	-8.70	-2.07	-64	-52.19
Ditto ditto in 1919-20	16.80	3.25	3.08	9.04	3.39	5.44	5.68	-98	82	4.31	50.88
Ditto ditto in 1918-19	49.76	10.36	16.82	8.75	6.41	9.59	7.41	-73	1.91	6.74	1,17.02
2 RUPEES—(Silver).											15.72
Opening Balance	2.81	3.80	1.62	22	3.54	1.22	12	1.00	72	47	-4.95
Receipts from + or Issues to — Mint or other Provinces.	-3	-1.26	3	-57	-80	-15	-10	-1.33	-73	-1	
Closing Balance	75.7	9.68	5.26	45	6.13	4.08	55	85	1.08	85	36.71
Net Local Absorption in 1920-21	-4.9	-7.14	-3.41	-80	-3.39	-3.01	-53	-1.21	-1.09	-39	-25.94
Ditto ditto in 1919-20	-10.51	-1.85	-23	-7	4.84	-38	...	-37	1	3	-8.55
Ditto ditto in 1918-19	27.04	9.87	14.81	8.60	3.49	8.97	8.01	1.08	6.94	4.40	93.21
3 ANNA NICKEL—											7.17
Opening Balance	37	1.47	1.34	8	39	1.32	45	56	1.09		9
Receipts from or Issues to — Mint or other Provinces.	-16	-2	36	-9	...	...	...	...	...	...
Closing Balance	21	1.14	1.10	18	35	60	31	11	61	5	4.66
Net Local Absorption 1920-21	...	31	60	-19	4	72	14	45	48	5	2.60
Ditto ditto 1919-20	3.04	1.63	2.76	33	1.87	1.68	1.55	51	91	60	14.73
4 ANNA NICKEL—											27.84
Opening Balance	1.95	1.03	10.77	1.87	2.26	1.64	2.26	77	2.29	3.00	27.84
Receipts from + or Issues to — Mint or other Provinces.	18.66	-1	-3.64	5.62	4.50	50	2.50	22	15	2.50	31.00
Closing Balance	42	70	2.52	1.29	4.57	81	1.97	1.20	1.45	1.08	15.96
Net Local Absorption 1920-21	20.19	32	4.61	6.20	2.19	1.33	2.79	-21	99	4.47	48.88
Ditto ditto 1919-20	19.42	1.57	5.50	1.83	1.54	1.36	3.24	55	91	1.35	37.32

Opening Balance	95	5.02			2.18	4.69	4.47	1.33	3.85	1.69	30.71
Receipts from + or Issues to — Mint or other Provinces.	1.09	-46			3.25	...	2.50	...	-55	1.30	16.22
Closing Balance	85	7.09	8.98	1.05	6.74	4.17	6.37	2.38	4.42	2.18	44.23
Net Local Absorption 1920-21	1.19	-2.53	2.24	3.35	-1.31	52	60	-1.05	-1.12	81	2.70
Ditto ditto 1919-20	17.07	9.46	2.61	10.05	-2.56	7.35	13.70	96	6.13	4.11	68.98
NICKEL ANNA PINCES—											
Opening Balance	2.94	10.24	3.09	1.04	7.75	4.78	2.90	1.17	7.50	1.87	43.28
Receipts from + or Issues to — Mint or other Provinces.	-3.53	-52	2.03	3.02	...	...	1.55	30	1.75	70	5.25
Closing Balance	3.23	13.00	7.78	1.26	11.75	6.78	3.40	2.25	9.67	2.23	61.35
Net Local Absorption in 1920-21	-3.82	-3.28	-2.66	2.80	-4.00	-2.00	1.00	-78	-42	34	-12.82
Ditto ditto in 1919-20	3.34	6.94	1.09	8.80	4.44	6.06	3.50	1.80	5.24	2.84	44.05
Ditto ditto in 1918-19	5.59	6.07	12.07	3.74	4.62	8.94	1.04	2.17	7.35	3.57	55.46
DOUBLE PICK—											
Opening Balance	1	16	5	...	2	1	...	1	3	...	29
Receipts from + or Issues to — Mint or other Provinces.	-10	-32	-21	...	-2	-1	...	-1	...	...	-67
Closing Balance	1	19	3	...	2	4	...	3	3	...	35
Net Local Absorption in 1920-21	-10	-35	-19	...	-2	-4	...	-3	...	...	-73
Ditto ditto in 1919-20	-9	-20	-13	...	-3	4	...	...	-1	...	-45
Ditto ditto in 1918-19	-9	-13	-12	...	-3	-7	...	-1	-4	...	-49
SINGLE PICK—											
Opening Balance	1.22	3.68	94	98	3.77	1.34	1.29	80	2.82	87	17.91
Receipts from + or Issues to — Mint or other Provinces.	-2	-45	2.73	93	2.56	2.40	98	73	-1.05	30	9.16
Closing Balance	2.42	4.81	3.20	71	6.33	1.67	1.58	1.08	4.57	54	29.29
Net Local Absorption in 1920-21	-1.22	-1.38	52	1.20	-2.38	2.07	69	45	-2.80	63	-2.22
Ditto ditto in 1919-20	1.09	3.25	10	5.40	95	2.07	3.27	2.04	1.23	1.70	21.18
Ditto ditto in 1918-19	2.17	3.98	1.14	3.33	28	2.73	2.91	1.88	3.79	1.71	23.92
HALF PICK—											
Opening Balance	1	9	12	3	14	8	...	2	...	1	53
Receipts from + or Issues to — Mint or other Provinces.	28	...	-1	6	...	7	...	1	...	...	40
Closing Balance	2	9	13	3	13	6	...	...	...	1	51
Net Local Absorption in 1920-21	27	...	-2	6	1	9	...	...	...	...	42
Ditto ditto in 1919-20	61	...	1	10	...	14	...	...	...	...	90
Ditto ditto in 1918-19	51	2	7	11	-1	16	...	...	...	2	92
PIC PINCES—											
Opening Balance	29	11	1	9	4	1	...	...	...	2	68
Receipts from + or Issues to — Mint or other Provinces.	61	88	1	15	2	1	...	...	...	...	1.78
Closing Balance	...	42	62	1	12	3	1	...	...	1	1.26
Net Local Absorption in 1920-21	8	48	37	1	12	3	1	...	...	1	1.15
Ditto ditto in 1919-20	7	72	15	1	13	4	1	...	...	1	1.21
Ditto ditto in 1918-19	34	73	30	...	6	4	...	...	...	1	1.50

Includes nickel two anna coins.

STATEMENT

Receipts and Expenditure of the Currency

	Calcutta.	Cawnpore.
	Rs.	Rs.
RECEIPTS.		
Interest realised on Government Securities	64,20,579	8,22,968
SUNDEY CASH RECEIPTS.		
Miscellaneous	188	413
Value of unclaimed Currency Notes	24,464	7,425
Value of old Currency Notes no longer in circulation	18,210	1,490
TOTAL RECEIPTS DURING 1920-21	64,63,441	8,32,296
TOTAL RECEIPTS DURING 1919-20	1,18,51,149	20,12,096
DISBURSEMENTS.		
Salaries (including Exchange Compensation, House rent and Local allowance)	1,16,022	14,099
Establishment (including Local allowances)	4,45,662	60,653
Compensation for dearness of provision and other special allowances	1,566	288
Temporary establishment	31,204	14,155
Charges for remittance . . . . .	...	...
Stationery	3,611	133
Printing charges	13,100	...
Service postage and telegram charges	22,539	3,699
House, lighting, police, water rates, etc.	13,633	692
Cost of Note forms, including freight	22,87,512	18,003
Pensions and gratuities	16,965	1,685
Cost of repairs, etc., to Currency buildings	16,561	...
Cost of chests, bags and locks	7,241	246
Contingencies	77,298	14,165
Travelling allowances	30,384	2,651
Deadstock, Cost of office furniture	3,511	580
Refund of value of old Currency Notes . . . . .	...	85
TOTAL DISBURSEMENTS DURING 1920-21	30,86,809	1,31,154
TOTAL DISBURSEMENTS DURING 1919-20	18,57,679	1,95,581
PROFIT DURING 1920-21	33,76,632	7,01,142

XXI.

Department for the year 1920-21.

Lahore.	Bombay.	Karachi.	Madras.	Rangoon.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
11,45,241	63,10,488	7,17,631	20,52,444	20,90,986	1,95,60,387
865	2,988	493	46,513	771	52,231
4,548	9,457	3,211	13,940	1,332	64,377
9,870	7,030	1,890	5,870	...	44,860
11,60,524	63,29,963	7,23,225	21,18,767	20,93,089	1,97,21,305
33,96,815	1,38,21,052	10,51,920	55,57,785	37,29,994	4,14,22,811
12,018	63,058	7,586	14,483	15,283	2,42,499
80,077	2,16,515	29,728	98,579	1,14,190	10,75,404
...	149	...	2,199	...	4,202
...	48,190	1,207	15,720	4,330	1,14,806
...	72,367	-2,231	...	...	70,136
2,985	...	...	2,722	...	9,451
961	248	...	964	1,556	16,829
4,032	24,284	2,400	3,605	1,183	61,742
53	12,919	7,663	...	150	35,110
34,376	22,65,874	...	17,499	1,15,318	47,37,582
3,035	9,357	131	5,815	...	36,998
1,100	8,964	...	7,981	...	34,606
469	...	...	...	961	8,927
9,416	42,995	2,920	7,485	6,876	1,61,155
...	9,609	2,553	10,493	3,203	58,803
...	3,125	...	...	273	7,489
...	20	...	20	...	125
1,47,522	27,77,674	51,957	1,87,425	2,93,323	68,75,864
3,98,979	33,12,290	52,286	3,95,901	2,54,615	64,67,231
10,13,002	35,52,289	6,71,268	19,31,842	17,99,766	1,30,45,441

STATEMENT XXII.

Details of the balance of the Gold Standard Reserve on the 31st March 1921.

In England—

Estimated value on the 31st March 1921 of the Sterling Securities of the nominal value of £40,123,243 (as per details below)	£
	38,951,416
Cash at the Bank of England	4,883
TOTAL	38,956,299

Details of investments :—

	Face value.
	£
British Treasury Bills	24,559,000
Guaranteed $2\frac{1}{2}$ per cent. Stock	438,720
$2\frac{1}{2}$ per cent. Consolidated Stock	1,000,000
Transvaal Government 3 per cent. Guaranteed Stock (1923—53)	1,092,023
Exchequer $5\frac{1}{4}$ per cent. Bonds, 1925	2,663,700
Ditto 1921	6,955,800
National 5 per cent. War Bonds	3,414,000
TOTAL	40,123,243

STATEMENT XXIII.

Statistics of Work in Currency Offices.

	Calcutta.	Cawnpore.	Lahore.	Bombay.	Karachi.	Madras.	Rangoon.	Total. 1918-19.	Total, 1919-20.	Total 1920-21.
Receipts of home notes over the counter (value in lakhs of rupees)	1,28,99	7,27	22,95	1,60,26	8,08	48,69	34,60	3,53,90	4,20,12	4,10,84
Issues of home notes over the counter (value in lakhs of rupees)	1,40,78	7,80	26,43	1,91,73	13,47	61,33	35,66	3,52,20	4,51,20	4,77,25
Receipts of coin over the counter (value in lakhs of rupees)—										
Gold	14	5		66	7	2,79	16	5	1,55	3,95
Silver	4,11	76	1,94	8,02	63	2,43	57	12,98	7,42	18,46
Issues of coin over the counter (value in lakhs of rupees)—										
Gold					6				10	9
Silver	8,51	2,10	68	4,53	21	55	23	54,87	31,83	16,81
Encashment of home notes over the counter (average number for each working day)	349,705	27,700	79,912	239,506	17,058	101,059	117,617	520,551	850,381	932,557
Issues of home notes over the counter (average number for each working day)	240,718	4,735	44,863	156,284	9,439	94,504	110,481	695,573	684,677	661,024
Cancellations of home notes over the counter (average number for each working day) (including invoiced and Agency notes)	401,362	70,055	146,802	237,848	20,007	193,587	135,179	404,607	1,041,030	1,204,840
Issues of home notes (in thousands of pieces)	108,234	28,094	55,460	69,485	7,151	49,978	42,930	398,235	416,014	361,332
Cancellations of home notes (in thousands of pieces)	112,783	19,886	38,315	61,722	5,642	54,785	36,160	111,252	287,117	329,093
Consumption of note forms (in thousands of pieces)	96,633	19,482	31,208	53,042	5,862	48,249	33,853	327,419	350,829	288,329

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